

BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:

ILLINOIS BELL TELEPHONE
COMPANY

VS

) No. 08-0105

Global NAPs Illinois, Inc. It is a complaint pursuant to Section 252E of the Federal Telecommunications Act of 1996 and Sections 4-101, 10-101 and 10-108 of the Illinois Public Utilities Act.

Chicago, Illinois
September 4, 2008

Met, pursuant to notice, at 9:30.

BEFORE :

EVE MORAN, Administrative Law Judge

APPEARANCES :

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1	<u>I N D E X</u>				
2	<u>Witnesses:</u>	<u>Direct</u>	<u>Re- Cross</u>	<u>Re- direct</u>	<u>By Judge</u>
3	JAMES W. HAMITER	50	54/107	80/92	152
4	PATRICIA PELLERIN	99	106/128	132	88
5	JEFFREY NOACK	134	136/150		145
6	JAMES SCHELTEMA	153	164	261	261
7			223	262	
8			259		
8	JEFFREY HOAGG	269	263	266	264
9			275		
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				280	
10	PATRICIA PELLERIN	286			283
11	<u>E X H I B I T S</u>				
12	<u>Number</u>	<u>For Identification</u>		<u>In Evidence</u>	
13	GLOBAL NAPS CROSS	#1	69		162
14		#3.0	162		162
	AT&T	#3	167		292
15		#3.1	186		292
		#4	186		292
16		#5	192		290
		#6	210		292
17		#7	215		292
	STAFF	#1.0&1.1	272		272
18		#2.0	274		274
		#3.0, 3.1, 4.0, 4.1	290		290
19		#5.0 & 5.1	291		291
		#6.0 & 6.1	292		292
20					
21					
22					

1 JUDGE MORAN: Okay. Let me call the case.

2 Pursuant to the direction of the

3 Illinois Commerce Commission, I call Docket 08-0105.

4 This is Illinois Bell Telephone Company versus Global

5 NAPS Illinois, Inc.

6 It is a Complaint Pursuant to Section

7 252E of the Federal Telecommunications Act of 1996

8 and Sections 4-101, 10-101 and 10-108 of the Illinois

9 Public Utilities Act.

10 May I have the appearances for the

11 record please.

12 MR. BINNIG: Christian Binnig and Hans Germann,

13 Mayor Brown, LLP, 71 South Wacker Drive, Chicago,

14 Illinois 60606, appearing on behalf of the

15 Complainant, Illinois Bell Telephone Company, Inc.

16 MR. ORTLIEB: Also appearing on behalf of AT&T

17 Illinois, Mark Ortlieb, 225 West Randolph Street,

18 Chicago, Illinois 60613.

19 MR. MOORE: On behalf of Global NAPS Illinois,

20 Inc., Stephen Moore of the law firm of Roland &

21 Moore, 200 West Superior Street, Suite 400, Chicago,

22 Illinois 60654.

1 MR. HARVEY: Appearing for the staff of the
2 Illinois Commerce Commission, Matthew L. Harvey and
3 Megan McNeill, 160 North LaSalle Street, Suite C800,
4 Chicago, Illinois 60601.

5 JUDGE MORAN: Are there any other appearances?

6 Let the record reflect that there are
7 none.

8 And we're here today for the
9 evidentiary hearing. I have been informed that the
10 two AT&T witnesses, Mr. Hamiter and Ms. Pellerin,
11 will go first, followed by a phone hookup with
12 Mr. Noack, and then Mr. Scheltma and Mr. Hoagg.

13 And are there any preliminary matters
14 we need to discuss? Okay.

15 Who are the witnesses here? This is
16 Mr. Scheltma?

17 MR. Scheltma: Yes, ma'am.

18 JUDGE MORAN: Ms. Pellerin, Mr. Hamiter.

19 Let me swear the three of you in right
20 now

21 (Witnesses sworn.)

22 JUDGE MORAN: Please proceed then.

1 MR. GERMANN: Illinois Bell calls James
2 Hamiter.

3 JAMES W. HAMITER,
4 called as a witness herein, having been first duly
5 sworn, was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY

8 MR. GERMANN:

9 Q Would you state your full name and business
10 address for the Commission.

11 A My name is James William Hamiter; that's
12 H-a-m-i-t-e-r. My business address is 308 South
13 Akard Street in Dallas, Texas 77502 -- excuse me. I
14 just went blank on my -- 75202, I believe.

15 Q Mr. Hamiter, do you have in front of you
16 AT&T Illinois Exhibits 2.0, 2.1, the direct testimony
17 and rebuttal testimony of James Hamiter on behalf of
18 AT&T Illinois?

19 A Yes, I do.

20 Q Did you prepare these testimonies?

21 A Yes, I did.

22 Q Do you have any corrections to make to the

1 testimony?

2 A Yes, I have two minor corrections that were
3 made. I believe those corrections were filed
4 yesterday.

5 Q Could you tell us what those corrections
6 are?

7 A Yes, sir. In my direct on Page 7, Line
8 198, the name Rebecca M. Harlin has been replaced
9 with Barbara A. Moore. And on Page 10, Line 288
10 through 290, the sentence beginning on Line 288 with
11 "I do not know if" and ending on 299 with the word
12 "example" has been stricken entirely.

13 Q Do you have any other corrections to your
14 testimony?

15 A No, sir, I don't.

16 Q With those corrections, if I were to ask
17 you the questions that appear in AT&T Illinois
18 Exhibits 2.0 and 2.1, would your answers be the same
19 today as the answers set forth in those exhibits?

20 A Yes, sir.

21 MR. GERMANN: With that, your Honor, I move for
22 the --

1

2 BY MR. GERMANN:

3 Q Mr. Hamiter, do Exhibits 2.0 and 2.1
4 include any attachments?

5 A I believe they do, yes, sir.

6 Q And are those the attachments that you --
7 did you prepare those attachments with your
8 testimony?

9 A Yes, sir.

10 MR. GERMANN: With that, I move for the
11 admission of AT&T Illinois Exhibits 2.0 and 2.1 and
12 offer the witness for cross.

13 JUDGE MORAN: Okay. So you're proposing to
14 admit AT&T Exhibit 2.0 with Exhibits JWH1 through 4
15 and AT&T Exhibit 2.1 with Exhibits JWH5 through 14.

16 I am noting that the attachments JWH9
17 through 14 are confidential. Am I correct?

18 MR. GERMANN: Yes, your Honor.

19 JUDGE MORAN: Okay.

20 With respect to AT&T Illinois Exhibits
21 2.0 and 2.1, the narrative testimony, are any of
22 those in a proprietary version?

1 THE WITNESS: I believe there were some parts
2 of those that were considered proprietary.

3 JUDGE MORAN: So, in other words, there is a
4 public version and confidential version to those
5 testimonies?

6 MR. GERMANN: Yes.

7 THE WITNESS: Yes.

8 JUDGE MORAN: Okay. To both of them?

9 MR. GERMANN: Only to the rebuttal testimony,
10 your Honor.

11 JUDGE MORAN: Only to the rebuttal.

12 THE WITNESS: I'm sorry, your Honor, 2.1 is
13 both public and confidential and 2.0 is public.

14 JUDGE MORAN: Okay. Just so we clarify that.

15 Is there any objection to any of those
16 exhibits with the attachments as stated?

17 MR. HARVEY: None from staff, your Honor.

18 MR. MOORE: No.

19 JUDGE MORAN: Okay. They will be admitted
20 subject to cross-examination.

21 And who wishes to begin cross?

22 MR. MOORE: I'll go first.

1

2

CROSS-EXAMINATION

3

BY

4

MR. MOORE:

5

Q Mr. Hamiter, I'm Steve Moore. I'm here for

6

Global NAPs. All my questions will be on your reply

7

testimony, Exhibit 2.1.

8

Calling your attention to -- first of

9

all, let me ask you this: Can you please describe

10

the nature of the SONET linear -- point-to-point

11

linear chain that is connected to the Global NAPs

12

facility? What sort of a fiber is this?

13

A This was constructed or provisioned over

14

looped facility fiber. It's still fiber optics, it's

15

just that the infrastructure in which this fiber lies

16

was allocated originally for loops or customer lines,

17

like your telephone or something like that at your

18

residence or a business.

19

Q Now, is the physical facility, the fiber

20

over which the SONET is carried, is that dedicated

21

simply to Global NAPs or are other companies able to

22

share that physical fiber?

1 A Only those specific fibers that are
2 involved between the setup -- in the setup between
3 Global and AT&T Illinois. There are other fibers
4 within that facility.

5 Q When you say "other fibers within that
6 facility," what do you mean?

7 A Well, what I mean is that entire facility
8 is not dedicated just for use by AT&T Illinois and
9 Global Illinois.

10 Q When you say "the facility," is that the
11 fiber that you're talking about?

12 A Yes, sir.

13 Q Okay. So, in other words, there are other
14 carriers that are using that fiber?

15 A Yes.

16 Q Okay. And it is your testimony that that
17 fiber is owned -- was installed by, paid for by AT&T;
18 is that correct?

19 A Yes, sir.

20 Q And at what -- where does AT&T's ownership
21 end at the Global NAPs end?

22 A It ends at the termination point at the

1 Global NAPs building with -- actually within that
2 building, there's a fiber distribution frame, if will
3 you, that's tied off at the frame.

4 Q And that frame is within the building?

5 A Yes, sir.

6 Q And is that frame owned by or was it paid
7 for by AT&T?

8 A I believe so.

9 Q And so everything beyond that frame would
10 be owned by Global NAPs?

11 A Or any other carrier that happens to attach
12 at that point.

13 Q Okay.

14 JUDGE MORAN: Excuse me. Are we talking about
15 the building in LaGrange?

16 THE WITNESS: No, your Honor. I believe, and I
17 apologize, it appears that he and I understand that
18 we're really talking about the Global Illinois POP,
19 if you will, their point of presence, the building in
20 which they appear.

21 BY MR. MOORE:

22 Q This is the Oak Brook building?

1 A Their Oak Brook building.

2 JUDGE MORAN: Okay. I'm sorry. I confuse

3 those two suburbs.

4 BY MR. MOORE:

5 Q All right. So just to make it clear then,

6 Illinois Bell owns everything up until the connection

7 point within the Oak Brook building of Global NAPs?

8 A Yes, sir.

9 Q And what would you consider the extent of

10 AT&T's network? Would it be up to that point?

11 A Well, we do have fiber that extends out

12 from our network. But in regard to interconnection

13 on our network, we would require it to be in a

14 building environment, an atmospherically controlled

15 environment, if you will.

16 Q And does that building have to be an AT&T

17 facility or can it be a facility owned by some other

18 party?

19 A Well, it would have to be one of our

20 buildings or structures. We do not consider Global

21 Illinois' Oak Brook building to be on our network.

22 Q But the SONET, up until the connection

1 point within the Oak Brook building is Illinois
2 Bell's network; is that correct?

3 A Yes, sir, it's the extension of our
4 network.

5 Q Now, on Page 10 at the bottom -- I'm sorry,
6 actually, it goes onto Page 11, the top of the page:
7 Neither can the POI be the SONET fiber because that
8 fiber is not a point, it is a physical facility
9 several miles long.

10 Can the POI be at the end of the
11 SONET, the point that the SONET terminates, the end,
12 you know, point -- terminating in Oak Brook?

13 A I'm sorry, sir. We're on Page 11?

14 Q Yeah, we're on Page 11, the top of the
15 page?

16 A Okay.

17 Q The second line, the very end on mine:
18 Neither can the POI be the SONET fiber because that
19 fiber is not a point, it's a physical facility
20 several miles long?

21 A Okay. I see it.

22 Q Is it possible for the POI to be -- let me

1 rephrase it.

2 So the reason you're saying the POI
3 cannot be at the end of the SONET in the Oak Brook
4 facility is because AT&T believes that the POI must
5 be within its own building?

6 A Yes, sir. That's the point on our network.
7 The facility, whether it be fiber as a SONET or just
8 straight asynchronous fiber or either cable or what
9 have you, those just link points within a network.

10 The first point on our network is our
11 Oak Brook building, that is the first point from your
12 building over that linear chain SONET. It cannot be
13 on the SONET.

14 Q You said our Oak Brook building or
15 LaGrange? Let's make sure we have it right.

16 A Either one.

17 Q Okay. So there's an AT&T building in Oak
18 Brook?

19 A Yes.

20 Q But this SONET, where is this --
21 physically? Where is this SONET? What are the end
22 points of this SONET?

1 A Well, there are really two SONETS that are
2 involved in this interconnection that was established
3 by the amendment to the interim agreement a number of
4 years ago.

5 There is the point-to-point linear
6 chain that goes from your building to our -- your Oak
7 Brook building to our Oak Brook building over which
8 DS3s, and that's a measure of bandwidth within a
9 fiber system, there are DS3s that are provisioned
10 over that part of the SONET.

11 And then those DS3s which were
12 intended to go all the way to the LaGrange tandem,
13 those were continued on within our network over our
14 interoffice facilities from Oak Brook on up to the
15 LaGrange tandem building.

16 Q And Global NAPS is being charged for DS3s
17 from its Oak Brook building to LaGrange; is that
18 correct?

19 A Yes, that's -- my understanding is that
20 that's what you ordered.

21 Q Not from Oak Brook GlobalComm to Oak Brook
22 AT&T, but rather Oak Brook GlobalComm to -- Global

1 NAPs to AT&T's facility in LaGrange?

2 A Yes, sir. Those DS3s go from your building
3 and presumably your switch over to the LaGrange --
4 the AT&T Illinois LaGrange tandem building, and it
5 happens to pass through the AT&T Oak Brook building.

6 Q Now, getting back to the Oak Brook building
7 of Global NAPs, why is the -- again, AT&T owns the
8 fiber distribution frame, correct?

9 A Yes, sir.

10 Q And it's your position that that cannot be
11 the POI because it isn't within an AT&T building?

12 A It's not on a point -- it's not in a point
13 on our network, sir.

14 Q Why is it not on a point in your network?
15 Isn't it a point, first of all?

16 A Sir, the point of interconnection that was
17 established by the amendment to the interim agreement
18 was to have been in the LaGrange tandem building, the
19 AT&T Illinois LaGrange tandem building, so --

20 Q Putting aside the agreement for the moment,
21 would it be technically feasible for Global NAPs to
22 interconnect at the fiber distribution frame owned by

1 AT&T within the Oak Brook building of Global NAPs?

2 A No, sir.

3 Q Why is it not technically feasible to

4 connect there?

5 A That is not on our network, sir. It's not

6 a point -- it's a point on the network between our

7 networks, the interconnection network, but it is not

8 a point on our physical network.

9 Q You own everything up to that fiber

10 distribution frame, right, and including the frame?

11 A Yes, sir.

12 Q But AT&T takes the position that that is

13 not its network?

14 A It is not in an AT&T building; therefore,

15 it is not -- if it's owned by someone else, it's not

16 part of our network.

17 JUDGE MORAN: What do you mean if it's owned by

18 someone else, it's not part of your network?

19 THE WITNESS: I don't really know who owns the

20 building. It could be owned by Global Illinois or it

21 could be owned by somebody that has opened it up for

22 any and all carriers.

1 I believe the vernacular for that is a
2 CLEC hotel. But we only bring loop fiber up to that
3 building, and we stop it right there.

4 If any customer wants to connect with
5 us, they must bring their fiber within their building
6 and connect with our fiber there.

7 That is not the point at which we
8 choose to establish a point of interconnection or a
9 POI, all caps P-O-I.

10 JUDGE MORAN: Okay.

11 THE WITNESS: The first point -- and I believe
12 in my direct testimony, I indicated that facilities
13 connect points on a network. And our first point at
14 that position is the Oak Brook building.

15 JUDGE MORAN: Okay. Thank you.

16 BY MR. MOORE:

17 Q You're familiar with the technique of
18 interconnection through a meet point?

19 A Yes, sir.

20 Q Please describe what that means.

21 A Well, the term, "meet point" has two
22 definitions in telephony.

1 The first definition would be a meet
2 point used in conjunction with a description of
3 facilities between two carriers, such as AT&T
4 Illinois and the traditional other incumbent LEC,
5 such as Verizon and companies such as that, where a
6 meet point is established at or near our exchange
7 boundaries.

8 The other definition of meet point is
9 used to describe a trunk group that is established
10 from a CLEC that goes to our access tandem, and
11 that's established for the delivery of featured group
12 D-type traffic or traffic that would normally be
13 handled by an IXC.

14 Q Now, can a meet point be designated as the
15 POI?

16 A Well, in those instances where we have a
17 meet point or facilities on a meet point basis, we're
18 just interconnecting with another incumbent LEC.

19 Q You do not use meet points to connect to
20 CLECs?

21 A Not necessarily.

22 Q But you sometimes do?

1 A We like -- when we interconnect with a
2 CLEC, we interconnect at a point on our network.

3 A meet point in its classical
4 description would be -- it could be anywhere, out in
5 the middle of a field or something like that, it's
6 more of an administrative meet point.

7 The two carriers do not go out and dig
8 trenches and lay cable and then meet out at the
9 middle of a cornfield or something like that.

10 They provision and construct the
11 cable, and then some point on that cable, the lengths
12 are divided and, you know, on this side, it's ours
13 and on this side, it's the other LEC's cable.

14 Q And that could be a CLEC?

15 A When we interconnect with CLECs, sir, we
16 establish a point of interconnection on our network,
17 at a point on our network.

18 Q So every single interconnection that AT&T
19 has is within a building owned by AT&T? There's no
20 exceptions?

21 A No, there are some exceptions on one way,
22 where a CLEC provides fiber to our building and we

1 provide fiber to their building. I don't believe we
2 have anything like that, at least I can't think of
3 anything here in Illinois, but I do know we have that
4 in a couple of other states.

5 And that's in the case of one-way
6 facilities where we send our traffic to the other
7 CLEC over our facilities and the CLEC sends its
8 traffic to us over their facilities. But yet, when
9 they interconnect, they interconnect with us at our
10 building on our network.

11 Q And AT&T interconnects on the other side at
12 their building, the other fiber?

13 A Yes, in a one-way situation, there are some
14 instances of that. There aren't many but there are
15 some.

16 Q Do you know if MCI ever had interconnection
17 using meet points?

18 A I don't know.

19 Q Now, you referred to the interconnection
20 agreement of the parties, that would be the amendment
21 to the interim interconnection agreement, I'm looking
22 at schedule PHB2.

1 A Which page of my testimony were you
2 referring to, sir?

3 Q You were just in your answer were
4 discussing the parties' contract?

5 A Okay.

6 JUDGE MORAN: Mr. Moore, are you talking about
7 the interim or --

8 MR. MOORE: This is the amendment to the
9 interim interconnection agreement. This is schedule
10 PHP2.

11 BY MR. MOORE:

12 Q Are you familiar with that document?

13 A Yes, sir, I've seen it before.

14 Q Now, this was executed by Global NAPs on
15 May 10, 2002; is that correct?

16 A Yes, sir.

17 Q Now, are you familiar with the order of the
18 Illinois Commerce Commission in the arbitration
19 between the two parties?

20 A I am aware of it, sir, yes. I was not
21 involved in that.

22 Q And are you aware that that order was

1 entered subsequent to Global NAPs executing the
2 agreement of May 14, 2002?

3 A I believe so.

4 Q Going to PHP2, Page 3, Item 9, this
5 indicates that, "Once the dispute identified herein
6 has been resolved by the Commission, the parties
7 shall conform their physical interconnection and
8 billing to the requirements in the final
9 interconnection agreement as it may be modified or
10 interpreted by the Commission."

11 Is that a fair description of what the
12 agreement says?

13 A Well, you just read that paragraph, or most
14 of it, yes, sir.

15 Q Now, in the Commission order entered after
16 Global NAPs executed the agreement --

17 JUDGE MORAN: Are you marking this for
18 identification?

19 MR. MOORE: Just for identification, your
20 Honor. I don't need the exhibit entered in the
21 record.

22 JUDGE MORAN: All right.

1 MR. MOORE: For identification, we'll mark this
2 as Global NAPs Cross Exhibit 1.
3 (Whereupon, Global NAPs Cross
4 Deposition Exhibit No. 1 was
5 marked for identification.)
6 BY MR. MOORE:
7 Q And at the bottom of that -- and what I've
8 shown you here is Page 5 in the Commission order in
9 Docket 01-0786, the arbitration between Global NAPs
10 and Illinois Bell.
11 In the bottom of that page,
12 Paragraph D, the Commission's conclusion is that
13 Global NAPs should be permitted to establish one POI
14 per LATA -- by the way, it's capital P, capital O,
15 capital I -- per LATA at any technically feasible
16 location in the Ameritech's network. Is that --
17 JUDGE MORAN: I'm not seeing it on my -- it's
18 under Commission analysis and conclusion?
19 MR. HARVEY: It's the very last sentence, your
20 Honor.
21 MR. MOORE: The first sentence under issue
22 one -- actually, the second sentence under issue one.

1 JUDGE MORAN: Okay.

2 MR. MOORE: Well, I shouldn't say that, it's in
3 the middle of the sentence.

4 JUDGE MORAN: The first sentence under issue
5 one.

6 MR. MOORE: The first sentence.

7 BY MR. MOORE:

8 Q And you're saying that it's not technically
9 feasible to locate at the Global NAPs facility
10 because it's not owned by AT&T?

11 A Right. It's not a point on our network,
12 sir.

13 Q Now, what is your understanding, then, of
14 how the cost of transport from POI to Global NAPs is
15 supposed to be split or paid?

16 A You mean if we were to have a true jointly
17 provisioned SONET from your building location up to
18 the LaGrange, the AT&T LaGrange tandem building; in
19 other words, one that for which the costs were
20 shared?

21 Well, your company, Global Illinois,
22 would have to bring or -- or pay for a fiber from

1 your building in Oak Brook up to the LaGrange
2 building.

3 Q Let me ask you this way: Is it your
4 understanding that each party should be responsible
5 for the cost of transport on their side of the POI?

6 A No, sir, I didn't say that. I was
7 referring to --

8 Q Now I'm asking you that though.

9 A No, sir. According to our agreements, if
10 we were to have a jointly provisioned and jointly
11 paid for linear -- or point-to-point linear chain
12 SONET from your building up to the POI in LaGrange,
13 both sides would have to provide fibers over which
14 your bandwidth DS3s and DS1s would ride.

15 Q But if the POI could be determined to be at
16 the termination of the SONET within the Oak Brook
17 building of Global NAPs, AT&T -- or each party would
18 be responsible for their cost on either side of that
19 POI; is that correct?

20 A Would you run that by me one more time,
21 sir.

22 Q Yes. If the POI was determined to be at

1 the termination of the SONET within the Global NAPs
2 facility, each party would be responsible for their
3 cost on their side of the POI; is that correct?

4 A AT&T does not agree that the POI should be
5 located in your building.

6 However, the Commission has the right
7 to determine that. And if the Commission determines
8 that, AT&T Illinois will comply with their judgments.

9 But you're correct in that wherever
10 the POI is located, you know, on our side of the POI,
11 we're responsible for facilities on that side and
12 you're responsible for the facilities on your side of
13 the POI.

14 That means that if you have a trunk
15 group -- now, a trunk group, as I've indicated in my
16 direct testimony, a trunk group has to be provisioned
17 over facilities from a switch to another switch.

18 So going from your switch, which I
19 presume is there in Oak Brook, to one of our switches
20 that is behind the LaGrange tandem or someone else on
21 our network, you would provide the facilities for
22 that trunk group from your building up to the

1 LaGrange building where the POI is located. And then
2 we would provide the facilities for that trunk group
3 from the POI out to whichever switch it is you intend
4 to connect that trunk group to.

5 Q Let me ask you a hypothetical.

6 Assume that the POI is determined to
7 be at the termination of the SONET in the Global NAPs
8 building in Oak Brook, is there a necessity at that
9 point for the ordering of trunk groups?

10 A Yes, sir.

11 Q Well, again, if the POI is determined to be
12 in the Oak Brook facility, AT&T is responsible for
13 everything up to the POI; is that correct?

14 A On our side of the POI.

15 Q On your side of the POI. And if the POI is
16 in the Oak Brook facility of Global NAPs, then AT&T
17 is responsible for everything on their side; is that
18 correct?

19 A If the Commission determines that, yes.

20 Q And in that situation, is there a necessity
21 for the ordering of trunk groups?

22 A Yes, there is.

1 Q And would Global NAPs be responsible for
2 paying for those trunk groups?

3 A They would be responsible for paying for --
4 you don't pay for trunk groups, sir, you pay for the
5 facilities over which those trunk groups are
6 provisioned.

7 Q So in this case, they could order the trunk
8 groups in order to size the pipe necessary, but they
9 would not be paying for the facilities beyond the
10 POI, which in this hypothetical is located within the
11 Oak Brook facility of Global NAPs?

12 A That's the way it is today, you do not pay
13 for the facilities on our side of the POI.

14 Q I'm going to read from the Commission order
15 again in that first sentence of Paragraph D: Issue
16 one appears to be resolved and the Commission
17 concludes that Global should be permitted to
18 establish one POI per LATA at any technically
19 feasible location in Ameritech's network.

20 The Commission in the order left it up
21 to Global NAPs to choose how many POIs and where
22 within Ameritech's network they would be located; is

1 that correct?

2 A Yes, sir --

3 MR. GERMANN: Objection. It calls for a legal

4 conclusion.

5 MR. MOORE: I'm asking for him to interpret the

6 order.

7 JUDGE MORAN: He's -- I don't think Mr. Hamiter

8 is an attorney?

9 THE WITNESS: No, ma'am.

10 JUDGE MORAN: You can say that that's your

11 interpretation and proceed to question him on that

12 basis.

13 MR. MOORE: I'll move on to another topic.

14 BY MR. MOORE:

15 Q Calling your attention to, again, on

16 Exhibit 2.1, JWH9, it's the summary of the

17 three-minute reports?

18 A Yes, sir.

19 Q And this is a confidential document so I'm

20 not going to read any of the numbers.

21 Now, it's my understanding that this

22 document shows the percentage of Global NAPs'

1 traffic. That is interstate and that is intrastate?

2 A Yes, sir.

3 Q But this only shows calls that were

4 originated within AT&T states; is that correct?

5 A Yes, sir, within AT&T -- within 12 of the

6 AT&T states, those calls that were originated by AT&T

7 end users, customers.

8 Q And these were calls that were greater than

9 three minutes?

10 A Yes, sir.

11 Q Now, JWH9 does not show all the traffic

12 that Global NAPs terminated on AT&T's network, does

13 it?

14 A No, sir.

15 Q Because it would have other states?

16 A Other states, other carriers, calls that

17 originated, say, in Verizon territory in Texas,

18 Nevada, wherever, in all the other 38 states.

19 Q Now, are you familiar with voice over IP or

20 VoIP, V-o-I-P?

21 A I have worked with it.

22 Q And is it possible that a customer could

1 make a call using VoIP but it would show up on the
2 three-minute reports that are reflected in JWH9?

3 A I don't know how it would show up. It is,
4 as I believe I indicated in my -- I believe it was my
5 rebuttal testimony, the calls on these reports, on
6 the 39 reports, were originated by AT&T end users,
7 who are land line customers of ours. Their calls
8 originated on the TDM network and are not originated
9 as voice over IP.

10 Q Is it possible that a customer making a
11 long-distance call would -- is there a technology
12 that would allow them to originate it over the AT&T
13 network but transfer to a VoIP carrier?

14 A Well, when our customers establish
15 telephone service with us, they are allowed to choose
16 which carrier they want to handle their toll traffic.

17 When they establish or originate a
18 long-distance call, we look up their line class codes
19 and we determine, you know, first of all, can they
20 make a long-distance call, and if they can make a
21 long-distance call, then we look at which carrier,
22 which IXC is going to carry that call for them

1 outside of the originating LATA.

2 Once we hand that call off to that
3 carrier, we're not responsible for, nor do we know
4 what happens to that call.

5 Q And at that point, the call could become an
6 enhanced call?

7 A No, sir, I don't believe so, only if the
8 enhanced services are going to be returned to the
9 customers.

10 Typically, an enhanced-type call means
11 that the originating carrier is looking for a
12 service. And I believe in my testimony, I used, you
13 know, voice mail and things like that as an example.

14 Q So is it your position that no calls placed
15 on the public switch network can be enhanced?

16 A No, they're enhanced calls, yes, sir. But
17 I'm telling you that in my testimony and in the
18 exhibits within my testimony, those calls which are
19 lumped into the term of three-minute reports, all of
20 those calls are not -- none of those calls, as far as
21 I know, are VoIP or enhanced service calls.

22 Q I would like to move on to JWH10 through

1 14.

2 Before I do that, let me ask you this:

3 A VoIP customer, can it choose its NANP?

4 A I'm sorry?

5 Q Well, can a voice customer decide where its

6 -- what number it will be using?

7 A I believe that would be up to the --

8 between that customer and the carrier from which it's

9 receiving its services.

10 Q And is that sometimes called nomadic VoIP,

11 where you can travel anywhere and use that number?

12 A I do not know anything about nomadic VoIP,

13 sir.

14 Q So you don't know if the numbers that are

15 reported on Schedules JWH10 through 14 include

16 nomadic VoIP?

17 A No. I do know that the numbers that are

18 summarized in JWH9 which appear in the copies of the

19 raw reports, I do know for a fact they are not

20 roaming VoIP numbers. They are land line, hard-wired

21 numbers to our end users, the originating calls.

22 I can't tell you much about the

1 terminating points.

2 MR. MOORE: That's all I have.

3 JUDGE MORAN: I have a few questions.

4 CROSS-EXAMINATION

5 BY

6 JUDGE MORAN:

7 Q I'm looking at your Schedule 1, your

8 Schedule 2, your Schedule 3, 4, 5, 6, 7 and 8, none

9 of which are proprietary.

10 A Okay.

11 Q Do you have them?

12 A I believe I do.

13 Q It's all these great diagrams, mostly

14 charts. And I just really want you to walk me

15 through them.

16 A Yes.

17 Q Okay? How about that?

18 A Certainly, your Honor.

19 Q Let's start with 1.

20 A Schedule 1 illustrates primarily the

21 function of a facility.

22 Now, this facility, and I believe I

1 have it labeled as a DS3 here, it could be anything.
2 It could be an OC3, an OC12, just about anything. It
3 can be copper, fiber, even microwave. But typically,
4 it shows that it connects two points on a network.
5 Now, if we assume that office A and
6 office B are AT&T buildings, then this facility is
7 connecting two points on AT&T's network.
8 Q Okay. And the facility is what, owned by
9 AT&T or --
10 A Yes, your Honor, that facility would be
11 owned solely by AT&T. And it would be used to
12 provision trunk groups between -- at least between
13 these two switches. There might be trunk groups
14 connecting other switches but they would be our
15 switches and they would go over that --
16 Q But the switches here are not connected?
17 A No, ma'am.
18 Q Okay. Thank you. The next schedule?
19 A All right. JWH2, I have shown that these
20 two switches have been connected with a trunk group.
21 And we'll just call that trunk group A to B, and you
22 can see where the -- that Switch A, the trunk group

1 is connected at trunk ports and then it goes over
2 that facility. Now, by that, we mean it's
3 provisioned over that facility; in other words,
4 there's bandwidth within that facility that has been
5 dedicated just for this trunk group. And it
6 continues on and terminates at trunk ports in
7 Switch B.

8 Q Okay. So now, here, the switches are
9 connected?

10 A Yes, your Honor.

11 Q Okay. And we're still talking about two
12 offices that are owned by AT&T?

13 A If you will, yes.

14 Q Just to give them some -- okay.

15 Then Schedule 3 is your trunk
16 quantity?

17 A Yes, your Honor.

18 Q How does that relate?

19 A Throughout the telecommunications industry,
20 there's what's known as the beer analogy, where one
21 zero is equal to one trunk. Think of that as one
22 beer, one can of beer, not to offend anyone here.

1 Then a DS1 is a case of beer or 24
2 trunks. And then a DS3, now you have to have a
3 pickup with 28 cases loaded in the back. And then it
4 goes on.

5 Q Okay. All right. Schedule 4, it says call
6 flow for a Global Illinois call delivered by an AT&T
7 Illinois end user. How does that work?

8 A If we receive a call from Global Illinois,
9 that call will come through from their switch and it
10 goes over --

11 Q Are we starting from the left side of the
12 page or the right side?

13 A From the right side. I apologize.

14 Q That's okay.

15 A And I have a little cloud over there
16 because we don't know what their network is, who
17 interconnects with them, we just can't see that.

18 So they receive a call that's coming
19 in destined for our AT&T Harvey end user.

20 Q Okay.

21 A Now, this call will go over a trunk group,
22 and in this instance, I was -- I believe in my

1 testimony, I was referring to a direct end office
2 trunk group, which is the acronym, all caps, DEOT
3 refers to a trunk group that would go from their
4 switch to one of our end office switches.

5 And this trunk group goes over, it's
6 provisioned over a DS3 that goes from their Oak Brook
7 building --

8 Q Do you mind if I come and --

9 A I'm sorry, your Honor.

10 Q I see your hand moving so I don't want
11 to -- and certainly anyone else that wants to step up
12 here.

13 A All right. I apologize, your Honor.

14 Q That's all right.

15 A They receive a call from wherever, and then
16 they see that their switch translates and says that
17 this call is destined for this end user in the Harvey
18 end office, the AT&T Illinois Harvey end user. All
19 right.

20 So they route that call to -- they
21 have a direct end office trunk group from their
22 switch to our Harvey end office. That call is routed

1 over that trunk group.

2 Now, it rides the facility, the DS3
3 that they have established from their building over
4 to the LaGrange building.

5 Q Okay.

6 A And then -- and that's the point of
7 interconnection. Now, this is their facility, and
8 from this point on out to Harvey, the facility over
9 which that trunk group is provisioned, well, that is
10 our facility.

11 Q Okay. So the point of interconnection is
12 right here?

13 A Yes, ma'am.

14 Q Okay.

15 A And it goes on and it gets to the switch.
16 And then the Harvey switch terminates the call to
17 that end user.

18 Q Okay. If I can stay here for the next
19 schedule.

20 A Certainly.

21 Q There's a lot of testimony about this SONET
22 ring?

1 A That would be what, 5?

2 Q Yes.

3 A Okay.

4 Q Where is this SONET ring in connection to
5 this? Or would it show up on Schedule 4?

6 A Well, this is a -- just an example of what
7 a ring looks like, a SONET ring, a true SONET ring.

8 And as I've indicated in my testimony,
9 there are four points, you know, buildings A, B, C
10 and D.

11 Q Right.

12 A And there is a true SONET ring that
13 connects all of these points.

14 Now, the beauty of SONET is that
15 whenever a trunk group is established, let's say from
16 like B to D, if -- that trunk group can be
17 provisioned over the SONET either way, from here or
18 this way, and it can be done so from a remote
19 location, say at an administrative building or
20 something, a center of some type.

21 Now, if it is provisioned, let's say,
22 this way, going from B to D through C.

1 Q Yes.

2 A And suppose a backhoe, they're doing some
3 construction work, and they dig up the cable between
4 B and C, well, that disrupts the continuity between B
5 and D, but that can be routed, and in many cases, it
6 can be automatically routed from B through A to D.
7 And that's the beauty of the SONET.

8 Q But SONET is a physical facility?

9 A Yes, it is. It's fiber optics that are --
10 the way it was explained to me, your Honor, about 15,
11 16 years ago was that you have a Chevrolet car and
12 you have a Chevrolet engine in it, that would be
13 regular fiber.

14 Q Okay.

15 A But then you take out that Chevrolet engine
16 and you put a Cadillac engine in it and put it in
17 that car, now you have a Chevrolet car with a
18 Cadillac engine. It's much more efficient, it -- and
19 it enables any type of -- any other vendor's
20 equipment can be interconnected with this, and you
21 don't have any problems with the two types of
22 technology talking with each other.

1 Q Okay. But this SONET ring is -- would this
2 appear anywhere on this illustration is what I guess
3 I'm trying to get to?

4 A Yes. Yes.

5 Q Okay. Where?

6 A Well, I don't believe we have a very good
7 show, but in our Oak Brook building, that would be
8 somewhere in here. There is ring architecture
9 between -- at some point between LaGrange and the Oak
10 Brook building. From the Oak Brook building to their
11 Oak Brook building, we had to use loop facilities.
12 We didn't have interoffice facilities. And from here
13 to here.

14 Q Okay. But somewhere around your LaGrange
15 building is this SONET architecture?

16 A Yes. Yes.

17 Q Okay. All right.

18 Now, you also on Schedule 6 talk about
19 an add-drop near change SONET?

20 A Yes.

21 Q Okay. Can you --

22 A That's very useful when you're talking

1 about remote offices. Let's say office A is in a
2 major metropolitan area, such as in Chicago. B is
3 one of the outlying offices, so it's deeply
4 interconnected with the rest of our network in
5 Chicago.

6 But then there might be two other
7 offices in little towns, and I apologize, I can't
8 come up with any names right now.

9 Q That's okay.

10 A But they are what we refer to as
11 single-thread offices; in other words, there's just
12 one cable that goes out to them. We can still
13 utilize SONET between those offices so that we can
14 have the ability to change assignments and things
15 like that.

16 Q Okay. And this point-to-point on
17 Schedule 7 is again a different architecture, a
18 different SONET architecture?

19 A It's still SONET, but it has been changed
20 to be used between two network points and in the case
21 of a -- typically in the case of another carrier.

22 And the main difference is that this

1 carrier cannot access any point on this carrier's
2 network, nor can -- if this was AT&T, nor can AT&T
3 access, and hopefully it would be an inadvertent
4 access if it was, but no one can mess up the other
5 guy's network.

6 Q Okay. You have these circles here with
7 these two arrows, what is that?

8 A That just symbolizes SONET.

9 Q Oh, okay. All right.

10 A It doesn't do anything special, it just
11 separates it from the fact that it's SONET.

12 Q It doesn't describe any kind of paths or
13 anything?

14 A Yes, your Honor.

15 Q Schedule 8?

16 A Yes. All right. And this is --

17 Q What is Schedule 8?

18 A This is more -- this gets down to a lower
19 level from what I described on that other page to
20 you. This shows --

21 Q Which other page? This Page 1 that --

22 A Yes.

1 Q Or Schedule 4?

2 A Yes. I don't show the AT&T Oak Brook
3 tandem here because it's really not -- you know,
4 there are two types of SONET involved.

5 We have the AT&T LaGrange tandem
6 building here and it's connected by an OC48 to the
7 AT&T Oak Brook building.

8 Now, I'm only showing one single line,
9 but there are diverse routes, you know, between those
10 buildings.

11 Q Okay.

12 A And then from the Oak Brook, AT&T Oak Brook
13 building I've shown in OC48 point-to-point linear
14 chain, which is provisioned over our loop facility
15 out to their building site.

16 Q Okay. And this line here?

17 A That came up on the -- for some reason,
18 that showed up when I scanned it into --

19 Q Okay. So it doesn't mean anything?

20 A No, ma'am, I didn't draw that line. That
21 came up by itself.

22 Q Okay. Thank you very much.

1 JUDGE MORAN: I have no further questions for
2 Mr. Hamiter.

3 MR. HARVEY: Staff has nothing for the witness.

4 MR. GERMANN: I have just a few redirect
5 questions.

6 REDIRECT EXAMINATION

7 BY

8 MR. GERMANN:

9 Q Mr. Hamiter, you discussed earlier the
10 fiber facilities that connect AT&T Illinois' networks
11 to Global NAPs Illinois' network.

12 Now, within that fiber facility, are
13 there any fiber strands that are dedicated to Global
14 NAPs?

15 A Yes.

16 Q And where are those?

17 A That would be the actual fiber strands in
18 the loop facilities that we borrowed from the loop
19 facilities from our Oak Brook building out to their
20 location.

21 Q And do other carriers use those strands?

22 A Not those particular strands, but there are

1 other customers that utilize other strands within
2 that fiber cable.

3 Q Now, if you could take a look at Schedule
4 JWH8?

5 A I'm drowning in schedules over here. Here
6 we go.

7 Q Now, you show here over on the left-hand
8 side, you show -- between the AT&T LaGrange tandem
9 and the AT&T Oak Brook building, you show an AT&T
10 OC48 interoffice SONET ring; is that correct?

11 A Yes, sir.

12 Q And over on the right-hand side between the
13 AT&T Oak Brook building and the G-NAPs Oak Brook
14 building, you show an AT&T OC48 point-to-point linear
15 chain?

16 A Yes, sir.

17 Q What's the difference between a SONET ring
18 and a linear chain?

19 A Well, a SONET ring is you can see in
20 Schedule JWH5, it has a ring-type appearance, a true
21 circular appearance.

22 There are what we refer to as

1 collapsed rings that are still -- it would be a
2 point-to-point, but it still has the communications
3 channel opened so that remote changes to the facility
4 assignments and things like that can be performed.

5 A point-to-point linear chain, any one
6 similar to what we have between our Oak Brook
7 building and their Oak Brook building, that is a --
8 like it says, it's just a linear point-to-point, but
9 the communications channel has not -- it's been
10 disabled so that neither carrier on the other -- on
11 either end of that chain can access or change
12 anything beyond the other carrier's location.

13 Q Now, I believe you testified that there are
14 DS3s established over these SONET fiber facilities,
15 correct?

16 A Right.

17 Q What is the difference between a DS3 and a
18 fiber facility?

19 A Well, a DS3 represents bandwidth that can
20 be found on the actual fiber.

21 Q Is DS3 a service provided over the fiber?

22 A Yes.

1 Q And then are there any other services or
2 facilities established over the DS3s?

3 A Well, yes, there are some customers that
4 can come in and request a DS1 or they can just
5 request a simple DS0 in the case of a bank that wants
6 a burglar alarm circuit established between one of
7 its branches and its protection agency.

8 Q And then how do trunks fit into the
9 picture?

10 A Well, trunks -- this OC48 between our
11 LaGrange tandem and our Oak Brook building, that is
12 part of our interoffice facility network; in other
13 words, it connects two points in our network. And we
14 use that facility to establish trunks between
15 switches that are in our network.

16 But we also use that to provide any
17 type of service over those facilities that a -- say a
18 bank customer that wants a burglar alarm circuit, we
19 call those special service circuits, or perhaps
20 someone that wants a high cap line at their house,
21 they would get a DS1.

22 These are used for many applications.

1 Primarily they were established to interconnect
2 points on our network. That's why we call them
3 interoffice facilities.

4 Q So are trunks provisioned over DS3s?

5 A Well, yes, a trunk group -- a trunk -- a
6 single DSO is provisioned over a DS1. And if there's
7 more than 24 trunks in a trunk group, then it is
8 provisioned over two DS1s that are both on a DS3.

9 Q One last question, Mr. Hamiter. Is it your
10 understanding that Global NAPs Illinois agreed that
11 the point of interconnection would be at AT&T
12 Illinois' tandem switch in LaGrange?

13 A Definitely, yes, sir.

14 MR. GERMANN: No further questions, your Honor.

15 JUDGE MORAN: Okay.

16 Any recross?

17 RE CROSS-EXAMINATION

18 BY

19 MR. MOORE:

20 Q Just that last statement. And the basis of
21 your opinion is the amendment to the interconnection
22 agreement?

1 A It is my understanding that it is both the
2 -- we established the POI at LaGrange based on the
3 interim and the amendment to the interim agreement.
4 And it was -- it should have been carried over to the
5 interconnection agreement.

6 Q I guess my question is, there's no other
7 documents besides the interconnection agreement that
8 you're referring to when you say Global NAPs agreed
9 that the POI should be in LaGrange?

10 A I'm also referring to that interim
11 agreement, sir.

12 Q Well, what I mean, yeah, the interim
13 agreement and the --

14 A And the interconnection agreement, yes,
15 sir.

16 Q And the interconnection agreement. Okay.

17 MR. MOORE: No other questions.

18 JUDGE MORAN: Okay. I have nothing further.

19 Staff?

20 MR. HARVEY: Nothing from staff, your Honor.

21 JUDGE MORAN: Okay. With that, you're
22 dismissed, Mr. Hamiter. Thank you so much.

1 THE WITNESS: Thank you, your Honor.

2 MR. BINNIG: Your Honor, we would be happy to

3 call our next witness unless you would like to take a

4 five-minute break.

5 JUDGE MORAN: We can take a five-minute break.

6 And then the next witness would be?

7 MR. BINNIG: Ms. Patricia Pellerin.

8 JUDGE MORAN: Okay.

9 Is Mr. Noack still on the --

10 MR. Noack: Your Honor, I'm here.

11 JUDGE MORAN: Oh, great. Thank you.

12 Is that okay with you, that we take a

13 few-minute break?

14 MR. Noack: Yes.

15 JUDGE MORAN: Okay. Stay on.

16 (Whereupon, a recess was taken.)

17 JUDGE MORAN: If you would like to present your

18 next witness please.

19 MR. BINNIG: Yes, your Honor. For our next

20 witness, we have brought Patricia H. Pellerin to the

21 stand.

22

1

2

PATRICIA H. PELLERIN,

3

called as a witness herein, having been first duly

4

sworn, was examined and testified as follows:

5

DIRECT EXAMINATION

6

BY

7

MR. BINNIG:

8

Q Could you state your full name and business

9

address for the record please.

10

A My name is Patricia H. Pellerin. My

11

business address is 1441 North Colony Road, Meriden,

12

Connecticut.

13

Q All right. And do you have with you today

14

what's been marked as AT&T Illinois Exhibit 1.0, the

15

direct testimony of Patricia H. Pellerin?

16

A Yes.

17

Q And does that Ameritech Illinois Exhibit

18

1.0, in addition to the typed questions and answers,

19

also include Schedules PHP1 through PHP18?

20

A Yes.

21

Q And are any of those schedules or any

22

provision of the testimony confidential or

1 proprietary?

2 A No, it's all public.

3 Q Now, let's -- turning first to the

4 testimony section of AT&T Illinois Exhibit 1.0, was

5 this prepared by you or under your direction and

6 supervision?

7 A Yes.

8 Q Do you have any corrections or changes to

9 make to the typed questions and answers portion of

10 this exhibit?

11 A Yes, I do.

12 Q Could you run through those briefly.

13 JUDGE MORAN: This is 1.0?

14 MR. BINNIG: This is 1.0, your Honor.

15 THE WITNESS: Yes, on Page 13, and it's

16 Lines 282 through 287. Starting on Line 283, change

17 Section 7 to Section 21. The next line after

18 services, delete the comma and insert in "the

19 metropolitan statistical areas," and in parentheses

20 "MSA."

21 BY MR. BINNIG:

22 Q Parentheses, then quote marks, and then --

1 A Yes.

2 "In which AT&T Illinois has received
3 price flexibility."

4 And then at the end of that sentence,
5 change Section 7.5 to Section 21.5.

6 At the end of the following sentence,
7 change 7.5.9(C) to 21.5.2.7(C). And it's capital C
8 in parentheses.

9 And at the end of that sentence,
10 change Schedule PHP3 to Revised Schedule PHP3. And
11 that is all.

12 MR. BINNIG: And your Honor, we did circulate
13 an e-mail last night of the testimony with the
14 corrections in it.

15 BY MR. BINNIG:

16 Q Did you also prepare a revised
17 Schedule PHP3?

18 A Yes, I did.

19 Q With the changes that you just indicated,
20 if I were to ask you the questions set forth in AT&T
21 Illinois Exhibit 1.0, would your answers be the same
22 as reflected in the exhibit?

1 A Yes.

2 Q And with respect to Exhibit PHP1 -- or
3 Schedule PHP1 through PHP18, including Revised
4 Schedule PHP3, were those schedules prepared by you
5 or under your supervision and direction?

6 A Yes, they were.

7 Q Do they accurately reflect what they
8 purport to reflect?

9 A Yes.

10 Q Let's move now to schedule -- or AT&T
11 Illinois Exhibit 1.1.
12 Do you have that?

13 A Yes, I do.

14 Q And is this your rebuttal testimony in this
15 proceeding?

16 A Yes.

17 Q Was it prepared by you or under your
18 supervision and direction?

19 A Yes.

20 Q Do you have any changes or corrections to
21 the question and answer portion of AT&T Illinois
22 Exhibit 1.1?

1 A No, I don't.

2 Q And as part of AT&T Exhibit 1.1, have you
3 prepared any schedules?

4 A Yes.

5 Q And those are Schedules PHP19 through
6 PHP31?

7 A That's right.

8 Q Do you have any changes or corrections to
9 any of those schedules?

10 A No.

11 Q Do those schedules accurately reflect what
12 they purport to reflect?

13 A Yes.

14 Q Are any of those schedules confidential?

15 A Yes, PHP19 and PHP20 are both confidential.

16 Q And have you prepared both a public version
17 and a confidential version of AT&T Illinois
18 Exhibit 1.1?

19 A Yes.

20 Q I would like to next turn your attention to
21 what's been marked as AT&T Illinois Exhibit 1.2. Is
22 this your surrebuttal testimony in this proceeding?

1 A Yes.

2 Q Was it prepared by you or under your
3 supervision and direction?

4 A Yes.

5 Q Do you have any changes or corrections to
6 make to AT&T Illinois Exhibit 1.2?

7 A No, I don't.

8 Q And did you prepare any schedules or attach
9 any schedules to AT&T Illinois Exhibit 1.2?

10 A Yes, I did.

11 Q And those are PHP32 through PHP35?

12 A That's right.

13 Q Do those schedules accurately reflect what
14 they purport to reflect?

15 A Yes.

16 Q And are any of those schedules or any of
17 the testimony in AT&T Illinois Exhibit 1.2
18 confidential or proprietary?

19 A No.

20 Q If I were to ask you the questions that are
21 set forth in AT&T Illinois Exhibits 1.1 and 1.2
22 today, would your answers be the same as reflected in

1 those exhibits?

2 A Yes.

3 MR. BINNIG: With that, your Honor, we would
4 move for admission of AT&T Illinois Exhibits 1.0, 1.1
5 and 1.2, along with the schedules, Schedules PHP1
6 through PHP35, inclusive.

7 JUDGE MORAN: Okay. Are there any objections
8 to the admission?

9 MR. HARVEY: None from staff, your Honor.

10 MR. MOORE: None from Global NAPs.

11 JUDGE MORAN: Okay. With that, AT&T Exhibit
12 1.0 with attachments 1 through 18 are admitted. AT&T
13 Exhibit 1.1, both the public and confidential
14 investigation, with PHP19, PHP20, being confidential,
15 PHP21 to 31, being public, are all admitted. And
16 AT&T Illinois Exhibit 1.2, the surrebuttal testimony,
17 with attachments PHP32 to 35, are all admitted as
18 stated.

19 And the witness, I assume, is
20 available for cross-examination.

21 MR. BINNIG: Yes, your Honor.

22 JUDGE MORAN: Thank you.

1 And who wishes to do cross-examination
2 first?

3 MR. MOORE: I'll go first.

4 CROSS-EXAMINATION

5 BY

6 MR. MOORE:

7 Q Ms. Pellerin, I'm Steve Moore. I'd like to
8 go into a little bit of the history, if we could.

9 The way the -- back when Global NAPs
10 first wanted to provide service, it contacted AT&T
11 and asked to connect to its network. And AT&T chose
12 to use a SONET to do so; is that correct?

13 A What I understand is that Global requested
14 interconnection from AT&T and the parties entered
15 negotiations.

16 Q Now, the SONET that was used to connect the
17 two parties was an existing facility; is that
18 correct?

19 A My understanding is that there was fiber in
20 place, yes.

21 Q And that fiber went all the way into the
22 Global NAPs building, and in fact the fiber

1 distribution frame was already in that building; is
2 that correct?

3 A I don't know that.

4 Q You don't know, you say?

5 A That's right, I don't know.

6 Q Okay. So you don't know if -- or do you
7 know if that SONET was used to provide service to a
8 company called Prism?

9 A I don't know the specifics of that. It's
10 my understanding that there was fiber into that
11 building in place that may have been used by someone
12 else, but I'm not familiar with the details.

13 Q Now, after the -- beyond the -- I'm sorry,
14 let me rephrase this.

15 After the fiber distribution frame,
16 are there any other facilities AT&T needed to provide
17 in order to turn up service with Global NAPs?

18 A I'm not familiar with the technical aspects
19 of what was required for interconnection.

20 Q Well, let me ask you this: AT&T would not
21 provide service until Global NAPs ordered DS3s; is
22 that correct?

1 A I don't know that I would characterize it
2 as AT&T would not provide service unless.

3 The parties entered interconnection
4 agreement negotiations in 2001. Apparently, it was
5 evident that they weren't going to reach agreement
6 and it was going to go into arbitration. And Global
7 wanted to get into business sooner, so the parties
8 engaged in negotiations for an interim agreement,
9 which was signed in, I believe, January of 2002 that
10 covered Illinois along with a couple of other states.
11 And then that interim agreement was amended in May of
12 2002.

13 Q And subsequent to the application of -- you
14 know, the entry of those agreements, would AT&T have
15 provided service to Global NAPs without Global NAPs
16 ordering trunks?

17 A The ordering of trunks is for the actual
18 traffic to be exchanged between party switches or
19 between any two switches. And without the trunks,
20 there's going to be no traffic flowing.

21 Q Now, even though the SONET is installed,
22 the fiber distribution frame is there, the parties

1 have done all the technical connections, until a
2 trunk is ordered, AT&T would not provide service?

3 A It's not a matter that AT&T would not
4 provide service. Unless a trunk is activated, no
5 calls can be exchanged between the party switches.

6 Q And those trunks, by the way, are running
7 over the existing SONET point-to-point network,
8 correct?

9 A They ride over facilities, yes.

10 Q So again, when Global NAPs orders a trunk,
11 AT&T isn't installing a new piece of equipment, it's
12 simply turning up a trunk on the existing side?

13 A I don't even know the technical aspects in
14 terms of turning up a trunk on a SONET. What I
15 understand of trunks is that they are in the
16 switches, not in the physical facilities or even in
17 the optical equipment necessarily that connects those
18 physical components of the network, that a trunk is a
19 port in a switch with translations that actually
20 allow the calls to be exchanged.

21 Q Okay.

22 A You could have all the facilities and

1 infrastructure in the world, but without the trunks
2 being activated in the switches, no calls would be
3 exchanged.

4 Q When you say "switches," do you mean both
5 the Global NAPs switch and the AT&T switch or just
6 the AT&T switch?

7 A You have to have a connection on both ends,
8 so Global would have to assign a switch port and its
9 switch for a particular trunk port and AT&T would
10 have to assign a trunk port in its switch, as well,
11 so the two ends are connected.

12 Q Now, if AT&T is responsible for all their
13 facilities on its side of the POI, why would Global
14 NAPs need to order trunk groups on the AT&T switch?

15 A Trunk groups are totally independent of the
16 POI. The POI relates to the facilities and the
17 physical connection between the parties' networks.

18 As I said, the trunks and the trunk
19 groups are associated with connecting the switches so
20 that calls can be exchanged between the parties'
21 customers. It's independent of the facilities.

22 You have to have the facilities in

1 place in order to establish the trunks.

2 Q Let's assume for a moment that the POI is
3 determined in this case to be at the fiber
4 distribution frame within the Global NAPs facility,
5 what charges that are the subject of this case would
6 still apply?

7 A Hypothetically, and I have to qualify that
8 because, obviously, AT&T clearly does not agree that
9 the POI is at the Oak Brook location in the fiber
10 distribution.

11 Q It's a hypothetical question.

12 MR. BINNIG: Nor does it agree that that's an
13 issue the Commission can address in this proceeding,
14 but go ahead.

15 THE WITNESS: Hypothetically, Global NAPs would
16 be responsible for all of the charges that AT&T seeks
17 recovery.

18 The DS3 charges are for DS3 services
19 that Global NAPs ordered pursuant to the access
20 tariff and that AT&T provisioned.

21 So pursuant to the tariff, I'm not an
22 attorney, but it's my understanding that they are

1 obligated to pay for what they ordered and what AT&T
2 provisioned under that tariff.

3 The usage charges are independent of
4 where the POI is. And so the intra-LATA toll
5 charges, the reciprocal compensation charges and the
6 transit charges are all based on usage, which are not
7 related to the location of the POI, so those would
8 also be obligations of Global.

9 BY MR. MOORE:

10 Q So are there any charges that would not
11 apply if the POI was determined to be at the Global
12 NAPs Oak Brook facility?

13 A Not charges that AT&T is currently seeking
14 to recover. Now, it's entirely possible that if the
15 Commission were to determine that the POI was
16 somewhere other than where it is, then prospectively
17 something different might happen. I don't know.

18 JUDGE MORAN: Let me clarify this in my own
19 mind. You're saying regardless of where the POI is,
20 where -- AT&T takes the position that it's at the
21 LaGrange facility, right?

22 THE WITNESS: Yes.

1 JUDGE MORAN: And Global is taking the position
2 that it's at their facility in La Grange?
3 MR. MOORE: Oak Brook.
4 JUDGE MORAN: I mean Oak Brook.
5 The charges would be the same?
6 THE WITNESS: Because they ordered DS3 services
7 from our tariff.
8 JUDGE MORAN: Okay.
9 THE WITNESS: The other thing, too, is that
10 there is a clear provision in the interconnection
11 agreement that states that the POI is at AT&T's
12 location. In the network interconnection methods
13 appendix in, I believe it's Section 3.4.7.4, it
14 clearly says the POI is at AT&T's location. So I
15 don't see that the --
16 JUDGE MORAN: That's the interconnection
17 agreement that was arbitrated?
18 THE WITNESS: Yes. And that language was never
19 in dispute.
20 JUDGE MORAN: Okay.
21 BY MR. MOORE:
22 Q Now, if Global had not ordered the DS3s,

1 there could not have been service then; is that
2 correct?

3 Is there any other way to order a
4 trunk group besides ordering, in this case, a DS3?

5 A Well, I think I need to clarify again. And
6 I think you keep confusing trunk groups from the
7 DS3s. Put the trunk groups aside because those are
8 not at issue here. There's not any charges we're
9 seeking to recover for trunk groups.

10 Q Well, let me ask you this, then: Is it
11 possible to order a trunk group without ordering
12 DS3s?

13 A There have to be facilities in place.
14 Whether you have to order DS3s or not to make those
15 happen, that's another matter.

16 Q Well, we have a SONET in place, that's a
17 facility, right?

18 A Yes.

19 Q And is it possible for AT&T to provide
20 trunk groups without ordering anything else?

21 A It's unclear to me from your hypothetical
22 question in terms of who would actually be ordering

1 what.

2 But let me step back a minute and
3 maybe I can help clarify that for you.

4 If we go back in time to 2002 or 2003
5 or 2004, whenever it was that Global first ordered
6 the DS3s, if Global felt and believed that it was not
7 obligated to order those DS3s, then it could have
8 sought the assistance of the Commission at that time
9 to resolve the issue around who was responsible.

10 And in fact, the parties had agreed in
11 their interim amendment that if Global wanted to
12 question where the POI was and wanted the POI to be
13 at their location, that they would seek assistance or
14 seek a decision from the Commission to specifically
15 find at that time that the POI was at Global's
16 location.

17 Global did not do that. So the terms
18 of the interim agreement, the interim amendment and
19 the related interconnection agreement, those terms
20 all provide that in the event that Global did not
21 seek Commission assistance, Commission intervention,
22 a decision that the POI was at their location, then

1 Global would be responsible for the facilities
2 pursuant to or at rates commensurate with AT&T's
3 interstate access rates.

4 And the interconnection agreement that
5 we're currently operating under is consistent with
6 that. The interim amendment specifically -- or the
7 interim agreement, I forget which is which,
8 specifically referred to Design 4 of the
9 interconnection agreement language, which had been
10 presented in the arbitration.

11 That language was not in dispute at
12 that time, and Design 4 is that network
13 interconnection methods appendix Section 3.4.7.4,
14 that's where Design 4 is laid out, that specifically
15 says the POI is at SBC's and now AT&T's location.

16 So Global had ample opportunity to
17 seek assistance from the Commission if it did not
18 believe it was required to order those DS3s in order
19 for the interconnection to take place.

20 Q Well, after Global NAPs executed the
21 amendment to the interim agreement, the Commission
22 entered its arbitration order and said Global NAPs

1 can connect at any feasible point on AT&T's network,
2 correct?

3 A The issue with -- Issue 1 in that
4 arbitration, as I recall, had to do with whether
5 Global was entitled to have a single point of
6 interconnection. And the decision on Issue 1 was,
7 yes, they could have a single point of
8 interconnection.

9 The question with Issue 2 for the
10 arbitration, which is the one that's really only
11 directly relevant here, is who's responsible to pay
12 for the facilities on each side of the POI, an issue
13 to resolve that each party's responsible on their own
14 side of the POI. There wasn't a question in the
15 arbitration as to where that POI would be.

16 Q But the POI gave Global NAPs the authority
17 to determine it at any feasible point on AT&T's
18 network, correct?

19 MR. BINNIG: I'm going to object. I think this
20 is now calling for legal conclusion or legal opinion.

21 JUDGE MORAN: Are you referring back to this
22 Cross-Exhibit 1?

1 MR. MOORE: Yes.

2 JUDGE MORAN: Okay. And what I'm not clear
3 about is this Cross-Exhibit 1 is on one of the issues
4 in the arbitration order?

5 MR. MOORE: Yes.

6 JUDGE MORAN: Would this be Issue 1 of this
7 arbitration?

8 MR. MOORE: I believe it's Issues 1 and 2.
9 Yes, Issues 1 and 2.

10 JUDGE MORAN: It's both Issues 1 and 2?

11 MR. MOORE: Yes.

12 As you can see in paragraph -- Issue 1
13 appears to be resolved, as to Issue 2, the Commission
14 is of the opinion. So those are the first two
15 issues.

16 JUDGE MORAN: Okay. Can you show this to the
17 witness, and then let me ask you something.

18 MR. MOORE: Do you have Cross-Exhibit 1 in
19 front of you?

20 THE WITNESS: No, I don't, I wasn't being
21 crossed.

22 JUDGE MORAN: Okay. This is Global NAPs

1 Cross-Exhibit 1, Hamiter.

2 MR. BINNIG: Your Honor, we're happy to
3 stipulate that this page of the order says what it
4 says. One of the problems here is that I think we're
5 getting into legal argument about what that means.

6 And in addition, we're missing the
7 rest of the order, including the portion of the order
8 that defines exactly what the issues are.

9 JUDGE MORAN: I'm a little concerned about that
10 myself because I don't know what else is in the
11 order.

12 MR. MOORE: Your Honor, I can provide --

13 JUDGE MORAN: I also -- and I would put this
14 question to you because I haven't done one of these
15 in a zillion years, but following the Commission's
16 arbitration order, is not the agreement amended in
17 compliance therewith?

18 Perhaps someone should explain that to
19 me.

20 MR. BINNIG: I think what you're saying, your
21 Honor, is that there is an arbitration decision.

22 JUDGE MORAN: Right.

1 MR. BINNIG: But the actual agreement is
2 something different that is then submitted to the
3 Commission for approval under 252E, and there's a
4 separate approval order of that agreement. And that
5 agreement becomes the binding effective agreement
6 between the parties.

7 JUDGE MORAN: Yes. And so, how would this page
8 relate to the ultimate agreement? Do you know what
9 I'm saying?

10 I'm saying we don't have a complete
11 information on this particular point, because here's
12 certain language that actually guides the final
13 agreement, and yet, we don't have that agreement or
14 that language to see how this was put into effect.

15 And that's, I guess, my problem here.

16 MR. MOORE: That's all part of the record, so
17 we can brief that and --

18 JUDGE MORAN: Okay. And that's why I'm saying
19 it's unfair to give this witness just a partial
20 rendition on this issue and expect her to be able to
21 give you or me a good answer on this.

22 MR. MOORE: I'll withdraw the question and we

1 can move on.

2 JUDGE MORAN: Okay. Thank you.

3 BY MR. MOORE:

4 Q Now, did AT&T consistently throughout this
5 period charge Global at the DS3 rate?

6 Do you know if there was any time when
7 for whatever reason they did not charge them?

8 A I'm not aware of all the bills
9 specifically.

10 Q So you don't know?

11 A It's my understanding that we have billed
12 for actually three of the four DS3s that Global
13 ordered. Why we didn't bill for one of them, I don't
14 know.

15 Q Now, these are billed under AT&T's special
16 access tariff; is that correct?

17 A Yes, and that relates to the correction
18 that I made on my testimony this morning.

19 Q And is that for local, toll or intrastate
20 access, which tariff?

21 A The ones that are at issue in this
22 proceeding are the four DS3s that Global ordered

1 pursuant to AT&T Illinois' intrastate access tariff,
2 Section 7 and Section 21.

3 Q If Global had designated those DS3s as
4 intrastate, then we would -- those charges would not
5 be before this Commission?

6 A That's right. There are seven other DS3s
7 that Global ordered pursuant to intrastate access
8 tariff that are not at issue in this proceeding.

9 Q Now, during your deposition during the case
10 that was before the Federal District Court in
11 Chicago, you were shown a series of e-mails from Brad
12 Osterman (phonetic) to Margaret Beata (phonetic) and
13 others.

14 Did you review those e-mails or have
15 you reviewed those e-mails?

16 A For this case?

17 Q Yes.

18 A No.

19 Q Did you review them during that case --
20 proceeding?

21 A The only time I saw those e-mails was
22 during my deposition.

1 Q And it's your understanding that some of
2 those e-mails showed that at least one AT&T manager
3 did not believe there should be charges for these
4 DS3s; is that correct?

5 A And he was an AT&T manager who was not
6 responsible for the charges and whether they should
7 be or should not be. So in my view, he
8 inappropriately offered an opinion.

9 Q And you do not know, though, whether at
10 some point AT&T did not charge for those DS3s?

11 A As I indicated, I've been informed that we
12 have not charged for one of the four.

13 Q Okay. I would like to turn your attention
14 to your rebuttal testimony, Exhibit 1.1. Page 16
15 toward the middle of the page, Line 352 onward, you
16 are discussing a list of customers that Mr. Scheltma
17 had provided in his testimony.

18 Do you recognize or know of the
19 companies that he provided in his testimony?

20 A I had seen a couple of the names before.

21 Q And do you know what sort of networks they
22 utilized to provide their service?

1 A Not specifically, no.

2 Q Do you know if any of them are voice over
3 IP providers?

4 A No, I don't know that.

5 Q And just to be clear, you don't know either
6 way whether they are or are not?

7 A Right. I know that Global represents that
8 they are enhanced service providers. That may or may
9 not be VoIP.

10 Q But independent of what Global is saying,
11 you have no information either way whether they are
12 providing service over VoIP?

13 A I seem to recall looking at some of their
14 web sites where they talked about services that they
15 offer that included TDM, as well as Internet
16 protocol-type services.

17 Q So in other words, their websites indicated
18 that they use both types of networks?

19 A But gave no indication in terms of when or
20 under what circumstances or whether any of that had
21 anything to do with Global or not.

22 Q Okay. Now, the interconnection agreement

1 provided that Global NAPs should request that the
2 Commission establish the interconnection point if it
3 wanted to be at a place other than AT&T's tandem; is
4 that correct? I mean, that's your position?

5 JUDGE MORAN: In what page?

6 MR. MOORE: It's more of a general, but I'll go
7 to the schedule.

8 BY MR. MOORE:

9 Q I mean, this is your reading of the
10 amendment to the interim interconnection agreement,
11 Schedule PHP2?

12 A Yes.

13 Q If Global had done so, what standards would
14 the Commission have used to determine where the POI
15 should be?

16 A I don't know what standards they would use.

17 Q All right. That's all I have.

18 A I presume they would follow the law.

19 Q Okay. Do you know if VoIP has both
20 interstate and intrastate components, I mean, it
21 could be either?

22 A If you're talking about the network, it's

1 an Internet network, it goes all over the place. I
2 suppose you could have a VoIP call that originated
3 and terminated within the same state. It might still
4 route to California, depending on how the carrier had
5 their network set up, I suppose.

6 Q So it's really not possible to separate the
7 intrastate component from the interstate when you're
8 using a VoIP network?

9 A Well, that's probably true, but the traffic
10 that we're talking about here is terminating on the
11 TDM network at AT&T or being transited through to
12 another carrier. And Mr. Hamiter provided testimony,
13 clear evidence that some number of the calls are
14 originating in TDM form, which means that at least
15 some percentage of the traffic we have proven is not
16 VoIP.

17 Global has not offered no evidence to
18 indicate that any of it actually is.

19 Q Well, isn't it true that AT&T will only
20 accept traffic that is in TDM form?

21 A To complete to our end users and for
22 transit, yes, that's true.

1 Q So a VoIP carrier has to translate it from
2 the Internet protocol into protocol AT&T will accept;
3 is that correct?

4 A Ultimately, yes. It does not mean that
5 it's not subject to terminating charges, however.

6 Q I would like to address your surrebuttal
7 testimony, Exhibit 1.2, actually just generically,
8 the issue of the request by AT&T to terminate the
9 certificate of Global NAPs.

10 Has AT&T received complaints from
11 customers of Global NAPs about its service?

12 A Not that I'm aware of, but I don't know
13 what customers Global Illinois would have to complain
14 because they don't have any customers.

15 Q Have the end users of Global services ever
16 complained to AT&T that you know of?

17 A To the best of my knowledge, Global doesn't
18 have any end users, so I don't know what kind of
19 complaints they'd be talking about.

20 Q Are there any customers that have been
21 using Global affiliate services that have complained
22 to AT&T?

1 A Not to my knowledge. We've disconnected
2 Global's services in five of our seven states where
3 they do business. And I'm not aware of any
4 complaints in any of those five states after we
5 disconnected them, that there was any issues.

6 Q And no complaints before either; is that
7 correct?

8 A No, but I don't think we're requesting that
9 the certifications be terminated due to customer
10 complaints.

11 MR. MOORE: That's all I have.

12 JUDGE MORAN: Thank you.

13 MR. HARVEY: I have a few, your Honor.

14 CROSS-EXAMINATION

15 BY

16 MR. HARVEY:

17 Q Good morning, Ms. Pellerin. My name is
18 Matt Harvey and this is my colleague, Megan McNeill.
19 We represent the staff, and I don't think we've met
20 before. It's a pleasure. I just have a few
21 questions for you.

22 As I understand your job description,

1 you generally support the negotiation and formation
2 of local interconnection agreements?

3 A Yes.

4 Q And you guide compliance with federal
5 requirements in the execution and limitations of
6 those agreements?

7 A Yes.

8 Q And you have done that here in Illinois for
9 some time?

10 A Yes.

11 Q So would it be fair to say that you have
12 general knowledge regarding AT&T Illinois' policies
13 and practices and procedures for the formation of
14 interconnection agreements?

15 A Yes.

16 Q And for the implementation and execution of
17 those agreements?

18 A Yes.

19 Q And for the termination of those
20 agreements?

21 A Yes.

22 Q Now, AT&T requested that Global NAPs

1 Illinois' certificate of service authority be
2 suspended or revoked in this proceeding, correct?

3 A Yes.

4 Q Well, let me ask you this: Does AT&T --
5 strike that.

6 Based on your understanding of AT&T's
7 procedures, policies and practices in this regard,
8 would it be AT&T's view that the revocation by the
9 Commission of Global NAPs' certificate would kind of
10 conclude to a breach of the interconnection
11 agreement?

12 A No.

13 Q Would it be AT&T Illinois' view that the
14 suspension or revocation of the certificate would be
15 a basis upon which AT&T could unilaterally cease to
16 provide service of any sort to Global or any of its
17 affiliates?

18 MR. BINNIG: Just for clarification,
19 Mr. Harvey, you're not asking her for a legal
20 opinion, you're asking her for her understanding?
21 Could you use the term AT&T Illinois' view?

22 MR. HARVEY: Certainly. Why don't I withdraw

1 that question and rephrase it.

2 BY MR. HARVEY:

3 Q Is it your understanding of AT&T Illinois'
4 policies, practices and procedures that the
5 suspension of Global's certificate -- or revocation
6 of Global's certificate of service authority would be
7 a basis for AT&T Illinois to cease providing services
8 to Global Illinois?

9 A Yes, it's my understanding that the
10 interconnection agreement requires a valid
11 certification before we have to provide service, so
12 if that certification fails to be valid, then that
13 would be a breach of the interconnection agreement on
14 Global's part and we would have the right to cease
15 providing service under that agreement.

16 Q And is it your understanding that AT&T
17 Illinois would under those circumstances cease
18 providing service?

19 A Yes.

20 MR. HARVEY: Nothing further, your Honor.

21 Thank you, Ms. Pellerin. I appreciate
22 your patience.

1 THE WITNESS: Thank you.

2 JUDGE MORAN: Okay.

3 MR. BINNIG: Do you have anything, your Honor?

4 JUDGE MORAN: I have no questions.

5 MR. BINNIG: I think I just have one or two

6 questions, your Honor.

7 REDIRECT EXAMINATION

8 BY

9 MR. BINNIG:

10 Q Ms. Pellerin, you were asked several

11 questions by Mr. Moore about a transport format for

12 communications traffic referred to as TDM or Time

13 Division Multiplexing?

14 A Yes.

15 Q And you indicated that in order for AT&T to

16 deliver calls over its circuits which network, the

17 traffic has to be in TDM format; is that correct?

18 A Yes.

19 Q Is that TDM format unique to AT&T or is

20 that a format that is used by any incumbent carrier

21 who has a circuit switch network that's part of the

22 public switch telephone network?

1 A It applies universally across the public
2 switch telephone network. All of the legacy
3 providers and -- have used that circuit switch
4 technology for many, many years.

5 MR. BINNIG: That's all I have, your Honor.

6 JUDGE MORAN: Thank you. I may have one or two
7 questions for Ms. Pellerin, but I'd have to take her
8 out of order after we do cross of Mr. Schettama.

9 Can you possibly stay around?

10 THE WITNESS: Oh, yes. Yes, I'm not leaving
11 until tomorrow.

12 JUDGE MORAN: That's wonderful.

13 Other than that, you're excused.

14 THE WITNESS: Thank you.

15 MR. MOORE: Jeff, are you still there.

16 MR. NOACK: Yes, I am.

17 MR. MOORE: Okay. We're going to have you go
18 ahead and testify now.

19 JUDGE MORAN: Let me ask everybody out there,
20 can you hear Mr. Noack?

21 MR. MOORE: Not very well. Can you speak up,
22 Jeff?

1 THE WITNESS: I sure can.

2 JUDGE MORAN: Thank you, Mr. Noack.

3 I feel bad we've had Mr. Noack on the

4 telephone for so long. So Mr. Moore if you can put

5 on your witness, that would be great. You can go

6 ahead.

7 MR. MOORE: Can you swear him in?

8 JUDGE MORAN: Oh, no, that's right, I have not

9 sworn in Mr. Noack and I have not sworn in Mr. Hoagg,

10 who is right here. So let me do that.

11 (Witnesses sworn.)

12 JEFFREY NOACK,

13 called as a witness herein, having been first duly

14 sworn, was examined and testified as follows:

15 DIRECT EXAMINATION

16 BY

17 MR. MOORE:

18 Q Can you please state your name?

19 A Jeffrey Noack; N-o-a-c-k.

20 Q Who are you employed by?

21 A Global NAPs.

22 Q Now, you have before you what is being

1 marked for identification as Global NAPs
2 Exhibit No. 2, the direct testimony of Jeffrey Noack,
3 consisting of nine pages?

4 A Yes, I do.

5 Q Is this your testimony?

6 A Yes, sir, it is.

7 Q And if you were asked the same questions
8 today, would you give the same answers?

9 A Yes, sir.

10 MR. MOORE: I've got no other questions. And I
11 would offer Global NAPs' Exhibit 2 into evidence.

12 JUDGE MORAN: And I believe that Exhibit 2 is
13 just a public version; am I correct.

14 MR. MOORE: Yes, he only has public, there's no
15 proprietary version.

16 JUDGE MORAN: There's no proprietary version.
17 Okay. Is there any objection to the admission of
18 Global NAPs' Exhibit 2.0.

19 MR. GERMANN: No objection from Illinois Bell.

20 MR. HARVEY: None from staff, your Honor.

21 JUDGE MORAN: Okay. Hearing no objection, that
22 testimony is admitted, and Mr. Noack is available for

1 cross. And who wishes to begin?

2 MR. GERMANN: I will, your Honor.

3 JUDGE MORAN: Thank you.

4 CROSS-EXAMINATION

5 BY

6 MR. GERMANN:

7 Q Good morning, Mr. Noack. This is Hans

8 Germann, one of the attorneys for Illinois Bell.

9 A Good morning, sir.

10 Q If you could turn to the first page of your

11 testimony, up in Line 3, you state that you were the

12 director of network operations for Global, Inc.

13 Do you see that?

14 A Yes, sir.

15 Q Is Global, Inc. the full name of your

16 employer?

17 A Yes, sir.

18 Q I'm sorry, I could not hear you?

19 A Yes, sir.

20 Q Okay. Have you ever been employed by

21 Global NAPs Illinois, Inc.?

22 A No, sir.

1 Q Now, as director of network operations,
2 your responsibilities include submitting access
3 service requests or ASRs to other carriers; is that
4 correct?

5 A Yes, sir.

6 Q And an access service request or ASR is
7 basically a kind of order form?

8 A Not in my opinion, sir, no.

9 Q You started working in the
10 telecommunications industry in 1978 at New Jersey
11 Bell; is that correct?

12 A Yes, sir.

13 Q And in the mid-1980s, you were put in
14 charge of a group that received ASRs from
15 interexchange carriers?

16 A Yes, sir.

17 Q Now, you have in the past prepared ASRs,
18 correct?

19 A Yes, sir.

20 Q In fact, I believe in your direct
21 testimony, and I'm referring to Page 7, you indicate
22 that you prepared some of the ASRs that were attached

1 to AT&T Illinois' opening testimony?

2 A Yes, sir.

3 Q Now, those ASRs that were attached to

4 AT&T's testimony, those are not the only ASRs you've

5 prepared, are they?

6 A I don't believe so, no.

7 Q In fact, you've prepared ASRs that were

8 submitted to other incumbent local exchange carriers,

9 haven't you?

10 A Yes, sir.

11 Q Including in California?

12 A Yes, sir.

13 Q In Ohio?

14 A Yes, sir.

15 Q In Connecticut?

16 A Yes, sir.

17 Q Have you prepared ASRs that have been sent

18 to Verizon?

19 A Yes, sir.

20 Q As director of network operations is it

21 true that your duties also include directing or

22 supervising the preparation of ASRs by other

1 employees at Global NAPs?

2 A Yes, sir.

3 Q If you could turn to Page 5 of your
4 testimony, please?

5 A Yes, sir.

6 Q And around Lines 119 and 120, you state
7 that Global can receive traffic in different formats,
8 including asynchronous transmission, ATM, and IP.
9 Do you see that?

10 A Yes, sir.

11 Q Now, are ATM and IP the only formats in
12 which Global can receive traffic?

13 A No, sir, we can receive it in TDM also.

14 Q By TDM, you mean Time Division
15 Multiplexing?

16 A Yes, sir.

17 Q And that is the format traditionally used
18 by the public switch telephone network?

19 A Yes, sir.

20 Q Now, is it also true that traffic can be
21 converted between different formats?

22 A Yes, sir.

1 Q For example, traffic can be converted
2 between IP and TDM?

3 A Yes, sir.

4 Q Now, is it true that Global sometimes
5 converts traffic?

6 A Yes, sir.

7 Q For example, if Global received traffic in
8 TDM format, it might convert that to ATM?

9 A It could.

10 Q And if it did that, it might then convert
11 the ATM back to the TDM format before handing it off
12 to AT&T Illinois?

13 A Yes, sir.

14 Q So the fact that a carrier receives a call
15 in a particular format does not mean that the call
16 was always in that format, would you say that's true?

17 A Could you repeat that, please, sir?

18 Q Yeah. For example, let's say that Global
19 NAPs receives a call and when Global NAPs receives
20 the call it's in TDM format. Does that mean that the
21 call was always in TDM format?

22 A It doesn't have to be, no.

1 Q It could have been converted before Global
2 NAPs received the call?

3 A Yes, it could have.

4 Q And for example, if Global NAPs receives a
5 call in IP format, the call could have been converted
6 into IP format before Global NAPs received the call?

7 A Yes, sir.

8 Q Now, when a call is handed off to Global
9 NAPs, does Global NAPs have any way of telling what
10 format the call originated in from the end user?

11 A No, sir, not to my knowledge.

12 Q Okay. Referring again to Page 5 of your
13 testimony around Line 110, you say that Global does
14 not receive traffic from any carrier using a 1-plus
15 method.

16 A Correct.

17 Q Now, are you saying that none of Global's
18 traffic begins with an end user picking up a phone
19 and dialing 1, the area code and the telephone
20 number?

21 A Global NAPs does not have any direct
22 customers or end users that would use our network to

1 dial a 1-plus or what is commonly referred to as an
2 IXC call.

3 Q You said no direct customers?

4 A That's correct.

5 Q Now, is it possible that some of the
6 traffic that Global receives originated from some end
7 user somewhere picking up a phone and dialing 1, an
8 area code and a telephone number?

9 A I would have no knowledge of that, you
10 know, what our customers are getting.

11 Q Now, referring back to Page 1 of your
12 direct testimony.

13 A Yes, sir.

14 Q You testified that Global NAPs and AT&T
15 Illinois interconnected their networks using a fiber
16 facility; is that correct?

17 A Yes, sir.

18 Q And that fiber facility extends between Oak
19 Brook and LaGrange?

20 A AT&T has identified, or SBC at the time,
21 that it was originated at their LaGrange office, yes.

22 Q Do you know what the length of that fiber

1 optic facility is?

2 A No, sir, I do not.

3 Q And this was in 2002 that Global NAPs and

4 AT&T Illinois interconnected their networks?

5 A Yes, sir.

6 Q Now, you also state that this fiber

7 facility connecting the networks of Global NAPs

8 Illinois and AT&T Illinois was jointly funded; is

9 that correct?

10 A Yes, sir.

11 Q Do you have any invoices or receipts

12 showing payment for the fiber optic facility?

13 A I don't believe it was funded in that way.

14 I believe that we shared the cost of the ring by

15 Global NAPs placing its equipment on the fiber and

16 AT&T or SBC placing their equipment on their end of

17 the fiber.

18 Q Now, when you refer to Global NAPs'

19 equipment on its end of the fiber, what equipment are

20 you referring to?

21 A A fiber optic terminal that matches the

22 AT&T fiber optic terminal on their side of the ring

1 so the two pieces of equipment can talk to each
2 other.

3 Q And where is that fiber optic terminal, the
4 Global NAPs fiber optic terminal? Where is that
5 located?

6 A It's in our location in Oak Brook.

7 Q I'm sorry?

8 A It's in our location in Oak Brook.

9 Q Thank you.

10 So you don't have any invoices or
11 receipts relating to the fiber optic cable itself?

12 A I don't believe there was any invoices for
13 that. This fiber already was there, it was already
14 in existence used by a previous customer of AT&T.

15 Q Okay. So Global NAPs did not pay any money
16 for the construction or installation of the fiber
17 optic cable itself; is that correct?

18 A I'm not saying that. I'm not aware if
19 there was or was not.

20 My understanding was our expense was
21 going to be for the equipment that needed to be
22 placed on that ring.

1 Q The equipment that you're referring to, the
2 fiber terminal equipment, that's equipment on Global
3 NAPs' end of the fiber; is that correct?

4 A True.

5 Q And that's in the Oak Brook location?

6 A Yes, sir.

7 Q Now, who owns that equipment?

8 A Global NAPs.

9 Q Global NAPs Illinois?

10 A I'm not sure what the legal entity is that
11 physically owns that equipment.

12 Q All right.

13 MR. GERMANN: Thank you, Mr. Noack. I have no
14 further questions.

15 MR. HARVEY: Nothing from staff, your Honor.

16 CROSS-EXAMINATION

17 BY

18 JUDGE MORAN:

19 Q Mr. Noack, when you were asked the question
20 as to an access service request or ASR, it was put to
21 you that this was like an order form, and you said
22 no. What do you think of it as?

1 A I think of it as more of an indication of
2 what was required.

3 And if I can expand on that, your
4 Honor. When we sit down with a company and negotiate
5 an interconnection, it's usually a mutually agreeable
6 thing on how the interconnection is going to be
7 performed.

8 In this case, we had asked AT&T and
9 they agreed to provide two-way network, meaning that
10 both companies were going to be able to use the
11 facilities and the trunk groups that were put so that
12 both companies could send traffic to each other.

13 In that case, AT&T stated to me that
14 since it's going to be a mutual network, a two-way
15 network that we both can use, only one company can be
16 in charge of sizing and implementing this network.

17 And their rules to us designated
18 Global NAPs as the person who was going -- or company
19 that was going to provide it. And they also informed
20 us that the way we're going to ask you to build this
21 network and implement it is to use the ASR form that
22 will communicate to all the groups within AT&T that

1 needed to see that form, that there had to be work to
2 do to implement this network.

3 Q So you don't -- you know, I think I've
4 maybe lost my question.

5 A Okay.

6 Q When you send an ASR, it's the same thing
7 as me ordering from a catalog and saying I want this,
8 this, this and this; is that not correct?

9 A I don't -- I have never considered it that
10 way. I mean, it's -- there are --

11 Q If you don't consider it an order form,
12 then what do you consider it without --

13 A A mechanism --

14 Q For?

15 A -- that the incumbent LECs have asked us
16 to use in order to size and implement the network.

17 Q I'm still not clear. Can you analogize it
18 to something?

19 A I can try. I can try to tell you what
20 other LECs have done in different scenarios. I can
21 tell you that in some instances where we did not have
22 a two-way network, we had a one-way network, that the

1 incumbent would notify Global NAPs as to what they
2 were going to put in as far as facilities and trunks
3 to Global NAPs using an offshoot of an ASR, which was
4 called a PTSR, and they would send that order to us
5 so that we would know what they were building.

6 And I would liken this form and the
7 fact that it was what the incumbent LEC used for us
8 to notify them what both companies needed to install
9 between each other so that customers could call each
10 other on this network.

11 Q Oh, so you're viewing this as you're
12 telling them everything that you want plus what they
13 have to do?

14 A Yes. It's a two-way network, meaning we
15 put a trunk group in, both companies can use it.
16 They can send calls from this trunk group from their
17 customers to Global NAPs and Global NAPs can send
18 calls from our network to the AT&T network.

19 Q And why would you have to give AT&T
20 instructions as to what they need to do?

21 A Well, like I said, it was their -- one of
22 their rules that said only one company can be in

1 charge of sizing this network. You can't have two
2 companies trying to add to the network. Only one
3 company could be in charge of what the right sizing
4 of it is.

5 In a one-way network, they would
6 simply put in facilities for their customers to call
7 Global NAPs and Global NAPs would put in facilities
8 for our customers to call them and it would be
9 independent of each other.

10 Q Okay. But what you're really doing, you're
11 not -- are you building out networks because you're
12 not really building networks, you're just connecting
13 networks?

14 A Yeah. I'm sorry, when I say "building
15 out," I mean there's been testimony about putting in
16 DS3s, and then on top of the DS3s, you put in DS1s,
17 then on top of the DS1s, you put in DS0s or what
18 they're called trunk groups.

19 Q Okay. Thank you.

20 JUDGE MORAN: Does anybody have any --

21 MR. GERMANN: Your Honor, might I ask a couple
22 additional questions?

1 JUDGE MORAN: Sure.

2 CROSS-EXAMINATION

3 BY

4 MR. GERMANN:

5 Q Mr. Noack, have you heard of the Ordering
6 and Billing Forum for the Alliance for
7 Telecommunications Solutions?

8 A Yes, sir.

9 Q In fact, that's an industry-wide group that
10 develops standards for ASRs; isn't that correct?

11 A Yes, sir.

12 Q And do you know whether they refer to ASRs
13 as a vehicle for ordering services between carriers?

14 A No, I'm not aware of what they would refer
15 to that as. I know they did make provisions for
16 what's called local trunking and local facilities,
17 meaning something different than access and
18 accessibility.

19 Q So they made provisions so ASRs could be
20 used to order local trunks?

21 A Yes, sir.

22 MR. GERMANN: Thank you. I have no other

1 questions.

2 JUDGE MORAN: Okay. Anything else?

3 MR. HARVEY: Nothing from staff, your Honor.

4 JUDGE MORAN: Okay. Thank you, Mr. Noack.

5 We're sorry for your situation and we're very happy

6 you were able to be here by telephone today.

7 MR. NOACK: Your Honor, I thank you for that

8 and I also thank you for your indulgence in this

9 special situation and allowing me to testify by

10 phone.

11 JUDGE MORAN: Thank you. Bye.

12 MR. NOACK: Bye.

13 JUDGE MORAN: Okay. Witness excused.

14 It's now 12:00 o'clock on the dot

15 almost. We have two witnesses left, so I would

16 expect that we would want to break for lunch, or am I

17 wrong?

18 MR. ORTLIEB: That's right.

19 MR. BINNIG: It's the consensus of the room. I

20 can wait an hour. I think we had an hour total

21 between Mr. Noack and Mr. Scheltma.

22 JUDGE MORAN: Does anybody have to be

1 somewhere? Let's break for lunch. Hour, hour 15,
2 what do you want?

3 MR. BINNIG: 1:15?

4 JUDGE MORAN: We will resume at 1:15.

5

6 (Whereupon, there was
7 a lunch recess taken.)

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1 (Whereupon, the following
2 proceedings were held at
3 1:15 o'clock p.m.)

4 JUDGE MORAN: Okay. We are ready to start.

5 MR. HARVEY: Staff is ready, your Honor.

6 JUDGE MORAN: The last two witnesses that we
7 have today are both sworn and I believe the first
8 witness is Mr. Moore's.

9 MR. MOORE: Yes. I would like to call
10 Mr. Scheltema.

11 JAMES ROBERT JORDAN SCHELTEMA,
12 called as a witness herein, having been first duly
13 sworn, was examined and testified as follows:

14 DIRECT EXAMINATION

15 BY

16 MR. MOORE:

17 Q Could you please state your name.

18 A James Robert Jordan Scheltema.

19 Q And who are you employed by?

20 A Global NAPs, Inc.

21 Q I show you what's been marked for
22 identification as Global NAPs Exhibit No. 1 with

1 direct testimony of James R. J. Scheltema consisting
2 of 27 pages of text and five attachments marked
3 JS Exhibits 1 through 5. Did you prepare this
4 testimony?

5 A Yes, I did.

6 Q And if asked these questions today, would
7 you give the same answers?

8 A Yes, with some modifications and
9 corrections.

10 Q All right. Then let's go through those
11 corrections. Please identify the first one and --
12 I'm sorry we do not have a sheet ready. I'm going to
13 go ahead and make these corrections on the record
14 then submit revised testimony on e-docket.

15 A At Line 243 --

16 Q. Our testimony.

17 A Yes, sir, our testimony.

18 JUDGE MORAN: This is the direct?

19 THE WITNESS: Yes.

20 JUDGE MORAN: Line 243, what page?

21 MR. HARVEY: I have 11, your Honor, Page 11.

22 THE WITNESS: There should be a close quote

1 following the word "services." On Page 17 at Line
2 368 where it currently says Roman Numeral III, I
3 believe that should be deleted and in substitution
4 the word in, i-n, should appear.

5 MR. MOORE: Q. How should it read?

6 A Accordingly, the FCC (sic) determined the
7 attempts by state to exercise jurisdiction colon.

8 At Line 415 on Page 19, it appears there
9 should be a space between the word "exemptions" and
10 "remains." At Page 506 there should be a deletion of
11 the words -- I'm sorry -- Page 23, Line 506 -- and
12 that much testimony would probably kill us all --
13 instead of the independents it should read AT&T's.

14 Q And with those corrections, if asked the
15 same questions today, would you give the same
16 answers?

17 A I still have one more correction I believe
18 and that is to the rebuttal testimony.

19 Q I show you now then what's been marked as
20 Global NAPs Exhibit No. 3, the reply testimony of
21 James Scheltema consisting of nine pages of
22 testimony. Is this your testimony?

1 A It is.

2 Q And are there any corrections you wish to
3 make to that?

4 A There is one. First, I would note that the
5 testimony is proprietary or confidential and my
6 correction is -- I can't give you a line number
7 actually because it's Footnote No. 1.

8 JUDGE MORAN: What page does it appear?

9 THE WITNESS: This is on Page 1 and it appears
10 that the footnote has been truncated. It should be
11 consistent with Footnote 1 on Page 1 of my direct
12 testimony as well where I previously identified
13 Global and therein it says Global as used herein may
14 refer to either Global NAPs, Inc., or Global
15 NAPs-Illinois, Inc.

16 The respondent in this proceeding, as
17 identified in the initial pleadings of this
18 proceeding, is Global NAPs-Illinois, Inc.

19 JUDGE MORAN: So you are moving that Footnote
20 --

21 THE WITNESS: I'm just copying.

22 JUDGE MORAN: -- 1 in the direct in that

1 complete form over to Footnote 1 in the reply?

2 THE WITNESS: Yes.

3 JUDGE MORAN: Okay.

4 THE WITNESS: And I believe that concludes the
5 modifications or corrections to my testimony.

6 MR. MOORE: Q. If you were asked the same
7 questions on Exhibit 3.0, would you give the same
8 answers?

9 A I would.

10 MR. MOORE: I have no other questions and offer
11 Exhibits 1.0 and 3.0 into the record.

12 MR. BINNIG: We do have an objection to one of
13 the -- a portion of one of the attachments to Exhibit
14 1.0.

15 JUDGE MORAN: Okay. There's five attachments.

16 MR. BINNIG: In Attachment JS-1 it has a
17 customer list and it has two letters as well I
18 believe from an outside counsel for one company. The
19 other's an outside counsel for another company. I
20 will state the company on the record unless there's a
21 matter of proprietary information. If that is, I'll
22 identify them in that way.

1 JUDGE MORAN: Maybe Mr. Moore can tell us.

2 MR. MOORE: These documents provide the basis
3 for an opinion from Mr. Scheltema on the nature of
4 the services provided by these two particular
5 customers.

6 MR. BINNIG: I had made my objections that I
7 was just identifying the document.

8 MR. MOORE: I'm sorry.

9 MR. BINNIG: Is it okay to say the company name
10 on the record?

11 JUDGE MORAN: That was the question.

12 MR. MOORE: I'm sorry?

13 JUDGE MORAN: And I was deferring the response
14 to the witness.

15 MR. MOORE: Mr. Scheltema informs me that it
16 would be appropriate to discuss the letter referring
17 to Transcom because that is a public record and some
18 other documents but not the other customer.

19 MR. BINNIG: Well then, we're objecting to the
20 admittance of those two letters as part of Exhibit
21 JS-1 is a letter from counsel for Transcom, the other
22 is a letter from another company I couldn't say on

1 the public record.

2 Our objection is based on hearsay.

3 These are the worse kind of hearsay. We have got
4 basic hearsay within hearsay. We have got an outside
5 counsel for each of these companies making assertions
6 that then Mr. Scheltema has attached and is
7 suggesting or trying to move into evidence here.

8 We have no way to cross-examine either the
9 authors of those letters or, more importantly,
10 representatives of the companies themselves regarding
11 the assertions in these letters, so it's highly
12 unreliable. It's not subject to
13 cross-examination.

14 I believe I can give you two case cites
15 as not allowing the admission of this type of
16 evidence on the grounds it's inadmissible hearsay.
17 One of those cases is in re: Aqua Illinois case.
18 That's Docket 04-0442. The other is in re:
19 Commonwealth Edison, Docket 90-0038.

20 JUDGE MORAN: And is there a response to that
21 objection on those particulars?

22 MR. MOORE: Your Honor, these documents are

1 being offered here to show the basis for the
2 company's statements to AT&T and the nature of its
3 own traffic. It really has -- that is the basis, and
4 certainly there's some technology they use, the other
5 what the customers told them. I'm not sure how else
6 the Commission could find out the nature of the
7 traffic if you don't hear from in the one case the
8 in-house counsel for the end user, so I'm really at a
9 loss how the company, Global NAPs, can prove that the
10 nature of the traffic customers are provided other
11 than asking them and having them tell us.

12 JUDGE MORAN: And you are saying that those
13 parties are not here?

14 MR. BINNIG: They're not here.

15 JUDGE MORAN: And you answered you cannot
16 question them?

17 MR. BINNIG: Correct, your Honor. What I mean
18 they are offering that information for the truth of
19 the matters that are asserted in there, and if those
20 particular companies don't have witnesses here who we
21 can cross-examine, then it is the classic kind of
22 hearsay which the Commission previously found should

1 not be admitted.

2 JUDGE MORAN: Okay. Here's what I'm going to
3 do. I'm going to consider this objection. I want to
4 look at these two cases that counsel has cited and
5 review carefully those letters and I'll make a ruling
6 after the hearing as to whether those will be
7 admitted or not, and those are the attachments in
8 JS Exhibit 1?

9 MR. BINNIG: The two letters, yes. There's
10 also a first page. There's a list of customers and
11 we're not objecting to that list. I'm just
12 objecting --

13 JUDGE MORAN: To the two letters?

14 MR. BINNIG: -- to the two letters.

15 JUDGE MORAN: Then that's going to be my
16 ruling. Now I'm going to defer ruling.

17 No objections to Exhibits 2 through 5 --
18 I mean, excuse me, Attachments 2 through 5?

19 MR. BINNIG: None from AT&T-Illinois.

20 MR. HARVEY: Nor from staff, your Honor.

21 JUDGE MORAN: At this point, Global Exhibit No.
22 1.0, the direct testimony of Mr. Scheltema and

1 Attachments 2 through 5 to that testimony, are
2 admitted, and I believe you have another your ruling
3 for admission of further testimony.

4 (Whereupon, Global
5 NAPs Exhibit No. 1.0 was
6 received in evidence.)

7 MR. MOORE: 1.0 and 3.0 I thought I moved for
8 admission of 2.0 of Mr. Noack. If I haven't, I'll do
9 it now.

10 JUDGE MORAN: If it's marked, it was admitted
11 and not objected to. Is there any objection to
12 Global NAPs Exhibit 3.0?

13 MR. BINNIG: None from AT&T-Illinois.

14 JUDGE MORAN: Staff.

15 MR. HARVEY: None from staff, your Honor.

16 JUDGE MORAN: Okay. Then that is admitted.

17 (Whereupon, Global NAPs
18 Exhibit Nos. 3.0 was
19 previously marked for
20 identification and
21 received in evidence.)

22 The only point in questioning would be

1 or that part of Exhibit 1 is to identify it by AT&T
2 counsel, and if you need to cross on that or if you
3 want to cross on that, then it would have to be I
4 guess as an offer of proof somehow separate from
5 the --

6 MR. BINNIG: Well, we'll try to separate. I
7 don't think technically it would be an offer of proof
8 from us.

9 JUDGE MORAN: I guess what I'm trying to say is
10 that if that testimony does or that doesn't come in,
11 then that part of the record is going to be
12 irrelevant.

13 MR. BINNIG: Right.

14 JUDGE MORAN: On the other hand, if it does
15 come in, that cross would be relevant.

16 MR. BINNIG: If we have cross with respect to
17 those items, your Honor, we'll do that in a separate
18 section of the cross so it can be easily identified.

19 JUDGE MORAN: That's what I'm trying to do
20 which is what we try to do for an offer of proof,
21 right? I don't know that I have a name for that
22 vehicle.

1 JUDGE MORAN: All right. Let's proceed then.
2 3.0 is admitted. 1.0 is admitted with that one
3 exception.
4 MR. BINNIG: AT&T-Illinois is happy to go
5 first.
6 MR. HARVEY: Please do, Counsel.
7 CROSS EXAMINATION
8 BY
9 MR. BINNIG:
10 Q Good afternoon, Mr. Scheltema.
11 A Hello, Mr. Binnig. How are you again.
12 Q I'm doing okay.
13 I'm going to first hand you a couple of
14 cross exhibits. These have been marked for
15 identification as AT&T-Illinois Cross Exhibit 1 and
16 AT&T-Illinois Cross Exhibit 2. I think I'm just
17 going to use these for identification only. I won't
18 be moving for their admission because I think they're
19 already either part of the Commission's file in this
20 case or they're similar to the statute.
21 JUDGE MORAN: Have you passed --
22 MR. BINNIG: I'll pass them out now.

1 JUDGE MORAN: Please do so.

2 MR. BINNIG: I have a copy for you and we have
3 copies for counsel.

4 JUDGE MORAN: Great.

5 THE WITNESS: Thank you, sir.

6 MR. HARVEY: Do you have a further copy?

7 (Document tendered.)

8 Wonderful. Thank you.

9 MR. BINNIG: Q. Mr. Scheltema, I would like
10 to first call your attention to AT&T-Illinois Cross
11 Exhibit 1. Do you recognize this?

12 JUDGE MORAN: Which is 1? I'm sorry.

13 MR. BINNIG: Q. One is the Request for pro hac
14 vice admission.

15 A Yes, I do.

16 Q Do you recognize that as your request for
17 pro hac vice admission in this proceeding?

18 A Yes, I do.

19 Q Are you familiar with the Illinois
20 Professional Rules of Responsibility, Mr. Scheltema?

21 A Familiar? I've read through them. Do I
22 recall them with any precision at this point, no.

1 Q Well, what I have identified for -- marked
2 for identification purposes as AT&T-Illinois Cross
3 Exhibit 2 is an excerpt from the Illinois Rules of
4 Professional Responsibility and I would like to turn
5 your attention to Rule 3.7 which is entitled "Lawyer
6 as a Witness."

7 JUDGE MORAN: What's the page?

8 MR. BINNIG: It's 659 at the bottom, your
9 Honor. It's near the back of the exhibit, second to
10 the last.

11 JUDGE MORAN: Thank you.

12 MR. BINNIG: Q. Mr. Scheltema, does Rule 3.7
13 begin by saying that, and I'm quoting, "A lawyer
14 shall not accept or continue employment in
15 contemplating the pending litigation if the lawyer
16 knows or reasonably should know that the lawyer may
17 be called as a witness on behalf of the client?"

18 A Yes, it does.

19 Q And in light of that, Mr. Scheltema, do you
20 intend to request to withdraw your pro hac vice
21 admission as a lawyer for Global NAPS-Illinois, Inc.,
22 in this proceedings?

1 A I did, in fact, do that already by having
2 counsel represent in this proceeding rather than
3 myself. Yes, I'm absolutely willing and would be
4 happy to make so in writing.

5 Q And am I correct that up until some point
6 in time you did serve a function as a lawyer for
7 Global NAPs-Illinois in this proceeding?

8 A Prior to filing any testimony in this case,
9 at some point I served as an attorney and asked to be
10 admitted for purposes of this proceeding and I was
11 present in front of the judge in this proceeding.

12 Q And one of the things you also did was that
13 you submitted the answers of Global NAPs-Illinois,
14 Inc., in this proceeding?

15 A Not as an attorney. I don't know how it
16 was entered. I produced the written documents.

17 MR. BINNIG: Let's mark this as Cross Exhibit 3.

18 (Whereupon, AT&T-Illinois
19 Cross Exhibit No. 3 was
20 marked for
21 identification.)

22 MR. ORTLIEB: Mr. Moore, can we ask Mr. Scheltema

1 to use the microphone?

2 MR. MOORE: Yes.

3 THE WITNESS: I'm sorry. I didn't have it
4 available.

5 MR. BINNIG: Q. Mr. Scheltema --

6 MR. BINNIG: Your Honor, I didn't make copies
7 of this, but it is part of the Commission's file.
8 It's Defendant Global NAPs-Illinois, Inc., 's Answer
9 and Affirmative Defenses to Plaintiff's Complaint.
10 It has a date on Page 10 of March 19, 2008.

11 JUDGE MORAN: I have a copy.

12 MR. BINNIG: Q. Okay.

13 A Yes.

14 Q You recognize that as Global NAPs-Illinois '
15 Answer and Affirmative Defenses in this proceeding?

16 A Yes.

17 Q And that was submitted on a document that
18 contains your letterhead on each page; is that
19 correct?

20 A Yes, it does. I haven't submitted it in
21 this format, but, yes.

22 Q But if you look at the last page where it

1 indicates who's submitting it, you're identified as
2 first counsel submitting that answer; is that
3 correct?

4 A It doesn't identify me as counsel, no.

5 Q Who's listed in the signature block there,
6 Mr. Scheltema?

7 A I am listed as well as Mr. Osterberg
8 (phonetic). Mr. Osterberg is counsel. I don't know
9 if he's admitted to Illinois.

10 Q So it's fair to say that at some point you
11 stopped performing, in what I will call, as a lawyer
12 for Global NAPs-Illinois, Inc., in this proceeding?

13 A It's not clear to me, other than appearing
14 and requesting to be admitted for this proceeding,
15 that I engaged in the practice of law before this
16 Commission. In fact, on the bottom of each of these
17 pages, which I did not produce, I just did the scribe
18 work. It also indicates that I'm a C.P.A. I did not
19 function as a C.P.A. here. It does identify me as a
20 vice president of regulatory affairs which is the
21 appropriate function that I would be performing for
22 Global NAPs-Illinois.

1 Q So your appearance as a witness today you
2 are not appearing as a lawyer; is that correct?

3 A Yes, that's correct.

4 Q And you are not expressing any legal
5 opinions in your testimony; is that correct?

6 A I'm expressing my opinion and understanding
7 of the law as it stands.

8 Q But you are not expressing any legal
9 opinions that you are presenting to the Commission as
10 legal opinions or legal conclusions; is that correct?

11 A I'm a fact-based witness.

12 Q I'll ask the question one more time. You
13 are not presenting any legal opinions or legal
14 conclusions to the Commission that you are
15 representing as legal opinions or legal conclusions?

16 A I'm sorry. Can you read that back?

17 Q In your testimony you are not representing
18 to the Commission that you are presenting to them any
19 legal opinions?

20 JUDGE MORAN: Counsel --

21 MR. BINNIG: Yes.

22 JUDGE MORAN: -- why are you phrasing it that

1 way? Why don't you say are you representing instead
2 of you are not, just because of the fact are you.

3 What are you doing?

4 THE WITNESS: I'm representing my opinions of
5 the state of the law as it applies to Global NAPs
6 with respect to regulatory and administrative law
7 prevailing at the FCC and at this Commission.

8 MR. BINNIG: Q. You are not purporting to
9 provide legal opinions to the Commission; is that
10 correct?

11 A As my legal opinion would be somewhat
12 irrelevant to the judge, it's her determination that
13 prevails at the end of the day.

14 Q Can you answer that question yes or not?

15 A Could you repeat it again.

16 Q You are not providing any legal opinions to
17 this Commission in your testimony; is that correct?

18 A I'm providing legal opinions but not in my
19 capacity as an attorney, just as if you said that man
20 appears to be jaywalking when he's crossing the
21 street without the light being green.

22 Q You are not at the time purporting to

1 practice law in connection with the opinions that you
2 are providing in your testimony; is that correct?

3 A That's correct.

4 Q Let's turn to Page 3 of your direct
5 testimony. If you could look at Line 44 on Page 3.

6 A Incidentally, this does not appear to be my
7 signature.

8 Q The Certificate of Service, which has your
9 name, that's not your signature?

10 A No, sir.

11 Q Did you authorize someone to sign a
12 Certificate of Service on your behalf?

13 A I typically do that.

14 Q Is that also true for the signature block
15 on the answer itself?

16 A Yes, that appears to be the same person
17 signing. That's not my signature though. People say
18 I have a messier signature. I like to call it
19 stylize?

20 Q Do you recall authorizing someone to sign
21 on your behalf in --

22 A I don't --

1 Q -- Answers to an Affirmative Defense?

2 A I don't recall that, but that would not be

3 surprising to me. It's a regular course of business.

4 Q Do you recall reviewing Global

5 NAPs-Illinois' Answer in Affirmative Defenses before

6 it was filed with the Commission?

7 A Yes. I prepared or became the scribe and

8 proofreader for materials provided. I'm sorry. You

9 directed me to a certain portion of testimony.

10 Q Page 3 of your direct testimony on Line 44

11 at the very top I think the phrase I'm looking at

12 actually begins on Page 2, Line 43. You state there

13 that the parties jointly provision meet points. Do

14 you see that?

15 A Just one moment.

16 (A brief pause.)

17 Q Okay.

18 A Yes, sir, I see that.

19 Q Global NAPs-Illinois did not provide any

20 fiber between AT&T-Illinois LaGrange tandem

21 (sic)building and the fiber termination frame at the

22 building in Oak Brook where Global NAPs-Illinois is

1 located, correct?

2 A That's my understanding currently pursuant
3 to Mr. Temmer's (phonetic) testimony.

4 Q And Global NAPs has never paid
5 AT&T-Illinois a single penny for anything; is that
6 correct?

7 A Under the arbitration agreement, Global
8 NAPs is not responsible for any items beyond the
9 point on SBC Ameritech, Illinois Bell, whatever you
10 want to call it, besides the point of
11 interconnection.

12 MR. BINNIG: Your Honor, I would move to strike
13 that as nonresponsive and ask that the witness be
14 directed to answer the question. I can repeat the
15 question if he likes.

16 JUDGE MORAN: Please repeat the question.

17 MR. BINNIG: Q. Global NAPs-Illinois has never
18 paid AT&T-Illinois a single penny for anything; isn't
19 that correct?

20 A Global NAPs-Illinois has paid AT&T what
21 it's due.

22 MR. BINNIG: Again, move to strike.

1 JUDGE MORAN: Again, please respond to the
2 question.

3 THE WITNESS: I don't have information related
4 to Global NAPs account payable.

5 MR. BINNIG: Q. So you don't know?

6 A I do not know personally, no.

7 Q And you provided no documents with your
8 direct testimony showing that Global NAPs-Illinois
9 has ever paid a single penny to AT&T-Illinois for
10 anything; isn't that correct?

11 A That's correct.

12 Q Let's move down to Lines 55 and 56 on Page
13 3 of your direct testimony, and in the first sentence
14 there, the second phrase, you said "Global has its
15 own network that carries traffic up to the
16 interconnection point with Illinois Bell." Do you
17 see that?

18 A Yes, I do.

19 Q By "Global," are you referring to Global
20 NAPs Networks, Inc.?

21 A Yes.

22 Q Global NAPs-Illinois has no network

1 facilities of its own, correct?

2 A That's my understanding.

3 Q And Global NAPs-Illinois itself does not
4 have any contracts with customers; is that correct?

5 A That's my understanding as well.

6 Q And Global NAPs-Illinois never had any
7 employees; is that correct?

8 A That's my understanding as well.

9 MR. BINNIG: Your Honor, could I just have a
10 second off the record to talk with Mr. Moore?

11 JUDGE MORAN: Yes.

12 (A brief pause.)

13 MR. BINNIG: Your Honor, we're back on the
14 record?

15 JUDGE MORAN: Yes.

16 MR. BINNIG: What I discussed with Mr. Moore
17 was we have copies of Global NAPs-Illinois' response
18 to our discovery in this proceeding. I think what
19 Mr. Moore and I have agreed to do is rather than
20 taking up time with Mr. Scheltema going through
21 those, we'll provide him with a copy before I have
22 completed my full cross-examination of Mr. Scheltema,

1 just a full set of all the discovery responses that
2 we would like to move, so they can verify that those
3 are the discovery responses that -- that we would
4 move for them as a group exhibit at the end of cross.

5 JUDGE MORAN: Okay. That's -- that's amenable
6 to you, Mr. Moore?

7 MR. MOORE: Yes.

8 JUDGE MORAN: Great, but you will be crossing
9 with those responses or not?

10 MR. BINNIG: I wasn't planning on it based on
11 that agreement.

12 JUDGE MORAN: Okay.

13 MR. BINNIG: I mean, they're all admissions
14 obviously.

15 JUDGE MOORE: Right. Okay.

16 MR. BINNIG: Q. Mr. Scheltema, let's turn to
17 page -- I guess we're still on Page 3. Let's move
18 down to Line 1661 and I'm looking at a phrase
19 beginning on Line 6 that it states what Global NAPs
20 did is use the ASR process to inform AT&T how to
21 properly, quote, right assist its network to enclose
22 Global NAPs traffic in order to live up to AT&T's

1 responsibility. Do you see that?

2 A Yes, I do.

3 Q On Line 60 when you talk about what Global
4 NAPs did, by "Global NAPs" are you referring to
5 Global NAPs-Illinois Inc., there?

6 A Global NAPs -- I don't know whether Global
7 NAPs-Illinois placed the request or whether Global
8 NAPs Network, but one of the Global NAPs affiliates
9 operated basically as a holding company identical in
10 nature like some ILECs, like Verizon did, so I can't
11 tell you what particular entity was on my mind, but
12 it would be either Global NAPs-Illinois or Global
13 NAPs Network probably.

14 Q Okay. And with respect to your assertion
15 there that whichever entity was submitting these ASRs
16 and that they used the ASR process to inform AT&T how
17 to properly right assist its network, you haven't
18 provided with your testimony any documents where that
19 Global NAPs-Illinois entity tells AT&T that it is
20 using the ASRs to inform AT&T how to properly right
21 assist its network, correct?

22 A I don't believe so. I believe that AT&T

1 actually attached ASRs. We can rely on those and the
2 testimony of Mr. Noack earlier to the same point.

3 Q Let's move to Page 4 of your testimony.
4 Now Lines 66 through 67 you assert beginning at the
5 line -- end of Line 66 that AT&T has invoiced Global
6 NAPs for trunk orders. Do you see that?

7 A Yes, I do.

8 Q Again, when you use the term "Global NAPs"
9 there on Line 67, are you referring to Global
10 NAPs-Illinois --

11 A I believe so, yes.

12 Q -- Inc.?

13 Have you reviewed the invoices that
14 AT&T-Illinois sent to Global NAPs-Illinois?

15 A I have seen them but -- or I have seen AT&T
16 bills -- that was quite sometime ago -- it was more
17 than a year ago -- in preparation for the deposition
18 with AT&T and now I can't tell you -- but I can tell
19 you Ms. Halloran (phonetic) said that we aren't being
20 billed for trunks, so if that's the case, I stand
21 corrected, but I know that we were billed for some
22 facilities and that's some of the facilities that are

1 at issue here today.

2 Q You anticipated my next question. I'll
3 skip it because I think you already answered it.

4 As you sit here today, Mr. Scheltema --
5 well, let me rephrase that. You haven't provided
6 with your testimony any documents that show that
7 AT&T-Illinois invoiced Global NAPs-Illinois, Inc.,
8 for trunks, correct?

9 A I have not attached any invoices, no, sir.

10 Q Let's move down Page 4 to Line 74. And you
11 assert there that AT&T-Illinois has been attempting
12 to impose access charges to Global NAPs' traffic for
13 a number of years. Do you see that?

14 A Yes, sir.

15 Q Isn't it correct, Mr. Scheltema, that in
16 this complaint proceeding AT&T-Illinois is not
17 seeking recovery of any interstate access charges
18 from Global NAPs-Illinois?

19 A That is correct. It omits a large part of
20 the access charges. It is my understanding that
21 there are millions of dollars being sought here for
22 intrastate access charges.

1 Q Well, isn't it a fact -- correct me,
2 Mr. Scheltema -- that intrastate switched access
3 charges that AT&T-Illinois claims it is owed by
4 Global NAPs-Illinois is less than 20 percent of the
5 total amount that AT&T-Illinois is seeking to recover
6 in this proceeding?

7 A I'm not familiar with the absolute number.
8 I'm sorry, Mr. Binnig. I'm sure it will come up in
9 briefs.

10 Q Isn't it correct, Mr. Scheltema, that the
11 vast majority of the amounts that AT&T-Illinois is
12 seeking to recover from Global NAPs-Illinois in this
13 proceeding are reciprocal compensation charges and
14 transmitting charges?

15 A As I said, I'm not familiar with the exact
16 breakdown of the amounts sought.

17 Q Let's turn to Page 7 of your direct
18 testimony.

19 A Yes, sir.

20 Q I'm looking at Lines 159 to 161, and at
21 least in my copy this is identified as proprietary --

22 A Yes.

1 Q -- but I think I can ask questions without
2 getting into what may or may not be proprietary
3 there. You are referring to certain adjudication
4 involving Transcom, Inc.'s services, correct?

5 A Yes, sir.

6 Q And you haven't provided with your
7 testimony copies of any of those adjudications; is
8 that correct?

9 A Actually I believe that what we sought to
10 have confidential was the identity of the party you
11 just named.

12 Q You told me earlier --

13 A But since it's a public record, I'm not
14 sure that it can be confidential, and my
15 understanding was that we did provide the case where
16 it was declared to be subject to the ESP exemption.

17 Q Is that an exhibit to your testimony?

18 A It should be. I thought it was. There's a
19 cite at the bottom of Page 2 and on Footnote 8, and I
20 believe I provided it to you perhaps in other
21 proceedings, but if it wasn't attached --

22 Q I didn't see it as an exhibit -- let's

1 refer to that cite -- you provided with Footnote 8;
2 is that correct?

3 A Yes, sir.

4 Q That particular decision was vacated by the
5 Court of Appeals, wasn't it?

6 A Mr. Binnig, I don't know without looking at
7 that. My understanding was that Transcom's exemption
8 still was valid. If you have something that can
9 determine that, other than my real response, if you
10 give a footnote cite, I would be happy to look at.

11 JUDGE MORAN: Let me ask the question. Before
12 you filed your testimony, did you check --

13 THE WITNESS: Did I shepardize?

14 JUDGE MORAN: Yes.

15 THE WITNESS: Yes. I believe it was
16 shepardized for me by my paralegal.

17 MR. BINNIG: We'll address it in our brief,
18 your Honor.

19 MR. BINNIG: Q. Let's move to Page 8 of your
20 direct testimony. Looking at Line 173 where you say
21 Global has just -- has just such an appeal pending in
22 California, do you see that?

1 A One moment. I'm sorry. On Page 8?

2 Q Page 8, Line 173. Do you see where you say

3 Global has just such an appeal pending in California?

4 A Yes, sir.

5 Q Are you referring there to a Section 252 E6

6 appeal that Global NAPs-California, Inc., filed

7 against the California Public Utilities Commission

8 regarding that Commission's decision against Global

9 NAPs-California, Inc., in a complaint proceeding that

10 was brought by Cox (phonetic) Communications?

11 A I'm not sure. We have -- we had two

12 appeals pending in California, one with SBC and one

13 with Cox. I believe that Cox went final

14 determination after this was filed and I think that

15 the appeal was dismissed. I'm not certain of the

16 status of the appeal with SBC. I believe that there

17 was a hearing last Monday, but I was not present for

18 that. I'm trying to be helpful.

19 Q Would it refresh your recollection if I

20 represented to you that the complaint brought by

21 AT&T-California, Inc., Global NAPs-California, Inc.,

22 is still with the California Public Utilities

1 Commission waiting for a decision from them -- final
2 decision from them and that the hearing that took
3 place approximately ten days ago was a hearing in the
4 appeal that I just described the 252 E6 appeal that
5 was brought by Global NAPS-California, Inc.,
6 regarding a CPUC, California Public Utilities
7 Commission' decision --

8 A Sure.

9 Q -- and the Cox Communications' complaint
10 case?

11 A Yes. Thank you.

12 Q Let's move down on the same page to Lines
13 180 to 183. There's a question and answer here and
14 in this question and answer you assert that the
15 deferral of a ruling on AT&T-Illinois' complaint or
16 dismissing it and compelling AT&T-Illinois to file
17 for redress of grievances at the FCC is appropriate,
18 correct?

19 A Yes. In fact, I believe that AT&T sought
20 such a declaratory request at the FCC but not
21 specifically with respect to Global NAPS.

22 MR. BINNIG: Let's mark this.

1 (Whereupon, AT&T-Illinois
2 Cross Exhibit No. 4 was
3 marked for
4 identification.)

5 MR. BINNIG: Q. Mr. Scheltema, let me show you
6 what's been marked for identification as
7 AT&T-Illinois Cross Exhibit 4. I'll represent to you
8 that what this is in the federal court lawsuit
9 pending in the United State Circuit Court for the
10 Northern District of Illinois brought by Illinois
11 Bell Telephone Company against Global NAPs-Illinois,
12 Inc., and a number of other Global NAPs-Illinois,
13 Inc., affiliates. This is the defendant's motion to
14 dismiss for grounds of lack of subject matter
15 jurisdiction along with the supporting memorandum.
16 Do you recognize this as such?

17 A I was not involved in the preparation. I
18 don't even believe that I reviewed it previously but
19 I know that that was filed on our behalf. I'm aware
20 of that.

21 Q And this was filed by counsel -- two sets
22 of counsel, one for Global NAPs-Illinois, Inc., and

1 Global NAPs, Inc. Global NAPs Realty, Inc., and
2 Global NAPs Network, Inc., that being Mr. Luzadder,
3 L-u-z-a-d-d-e-r, of the Kelley, Drye firm and also
4 Mr. Fowler, Mr. Jackson of the Golar (phonetic) Group
5 on behalf of Global NAPs Venturing?

6 A That's what it appears to be, yes.

7 Q It appears to be filed on or about
8 September 7, 2007?

9 A Yes, sir. That's what it states.

10 Q If you could turn to Page 5 of the
11 memorandum of law, okay, and for ease of reference,
12 there's no electronic document pagination at the top
13 of the page the pagination there is Page 9 of 29.

14 A Yes, sir.

15 Q Do you see that?

16 A Yes.

17 Q And there's a subsection or Section A that
18 appears in the middle of this page. Do you see that?

19 A Yes, sir.

20 Q That section is entitled "The act does not
21 confer jurisdiction over claims to interpret or
22 enforce the terms of the interconnection agreement

1 which have not first been presented to the
2 appropriate state commission for decision." Do you
3 see that?

4 A Yes, sir.

5 Q Okay. Now could you also turn to Page 11
6 of the supporting memorandum.

7 A Is there a question on that?

8 Q That was my question. Is that what the
9 document says?

10 A Okay.

11 Q If you could turn to Page 11 of the
12 supporting memorandum. For ease of reference,
13 electronic pagination on the top says Page 15 of 29.
14 Do you have that?

15 A Yes, I do.

16 Q And this in the lower half of this page,
17 the next section, Section B, begins; is that correct?

18 A Yes, sir.

19 Q And that section says "Each of Illinois
20 Bell's claims arise out of the dispute for the
21 interpretation of the ICA and none of these disputes
22 have been raised before the ICC;" is that what it

1 says?

2 A Yes, it does.

3 Q At the time this document was filed, the

4 claims that are part of this complaint proceeding

5 were claims that Illinois Bell had pending in the

6 Federal District Court lawsuit in the Northern

7 District of Illinois; isn't that correct?

8 A That's my understanding as well.

9 Q Let's move to Page 12 of your direct

10 testimony.

11 A Yes, sir.

12 Q Look at Line 270 and you have a sentence

13 there where you assert in some Global is a data CLEC.

14 Do you see that?

15 A Yes, I do.

16 Q Do you agree with me that the term "data

17 CLEC" does not appear anywhere in the Federal

18 Telecommunications Act?

19 A No.

20 Q Can you identify for me where the term

21 "data CLEC" appears in the Federal Telecommunications

22 Act, or you just don't know one way or the other?

1 A That's my characterization of it.

2 Q Does the term "data CLEC" appear anywhere
3 in the Federal Telecommunications Act to your
4 knowledge?

5 A Not to my knowledge. It's an industry
6 term.

7 Q Does the term "data CLEC" appear anywhere
8 in the Federal Telecommunications Act of 1996 to your
9 knowledge?

10 A I don't recall reading it, no.

11 Q Does the term "data CLEC" appear anywhere
12 in the FCC's rules implementing the Federal
13 Telecommunications Act of 1996 to your knowledge?

14 A Not to my knowledge.

15 Q Are you aware that the term that Sections
16 251 and 252 used, in particular in Section 251(c) of
17 the 1996 Act, is a, quote, requesting
18 telecommunications carrier, close quote?

19 A I'm sorry. Can you repeat that -- the
20 question.

21 Q Are you aware that the term that Section
22 251(c) of the Federal Telecommunications Act of 1996

1 uses is a, quote, requesting telecommunications
2 carrier, close quote?

3 A I'll accept that subject to check.

4 Q And I take it that it's your position that
5 Global NAPs-Illinois, Inc., qualifies as a requesting
6 telecommunications carrier under Section 251(c) of
7 the 1996 Act?

8 A I don't know what context you are referring
9 to, but I would -- I would say that it requests
10 services. It's a CLEC. In this instance, when I say
11 data CLEC, instead of saying a General Motors car,
12 I'm saying it's a red General Motors car. That's my
13 analogy if that helps.

14 Q Well, would it help you to answer my
15 question if I gave you a copy of Section 251(c)?

16 A Certainly.

17

18

19 (Whereupon, AT&T-Illinois
20 Exhibit No. 5 was marked
21 for identification.)

22 Q Mr. Scheltema, I'll replace what I have

1 just handed you with, okay, what's been marked as
2 AT&T-Illinois Cross Exhibit 5 for identification as a
3 copy of Section 251 of the Federal Telecommunications
4 Act of 1996, and if you look at the second page
5 under, you'll see, Subsection C there, additional
6 obligations of incumbent local exchange carrier.

7 A Yes, sir.

8 Q For example, under Item C-1 it states
9 there, second sentence, the requesting
10 telecommunications carrier also has a duty to
11 negotiate in good faith the terms and conditions of
12 such agreements. Do you see that?

13 A Yes, sir.

14 Q And Line 2, under interconnection, the
15 first line, refers to the duty to provide for the
16 facility and equipment of any requesting
17 telecommunications carrier interconnection of local
18 exchange carrier's network.

19 So I'll go back to my question,
20 Mr. Scheltema. I take it it's your position that
21 Global NAPs-Illinois, Inc., qualifies as a, quote,
22 requesting telecommunications carrier as that phrase

1 appears in Section 251(c) of the 1996 Act?

2 A First I have to qualify my answer because
3 I'm only responding as to my opinion of the law and
4 not behaving as a lawyer today.

5 Q That's fine. I'm asking for your
6 understanding.

7 A Fine. I would have to see what the
8 definition of telecommunications carrier is as well
9 in order to put this in context.

10 Q You understand that Section 251(c) is the
11 section that imposes on incumbent local exchange
12 carrier the obligation that is implemented through
13 the negotiation and arbitration provision of Section
14 252 of the Act?

15 A Yes, sir, that's my opinion.

16 Q And you agree that under Section 251(c) is
17 it your understanding that those obligations are
18 limited to requests from, "requesting
19 telecommunications carriers;" is that right?

20 A That's how it appears, yes.

21 Q So if Global NAPs-Illinois, Inc., is not a
22 requesting telecommunications carrier under this

1 provision, then AT&T-Illinois would have no
2 obligation to negotiate and arbitrate interconnection
3 agreements with it; is that correct?

4 A That is correct, and, to the best of my
5 knowledge, General Motors can be a car. It can be a
6 vehicle. It can be a red car. It can be an Impala.

7 Q I'm going back to my question again. Is it
8 your understanding, Mr. Scheltema, that Global
9 NAPs-Illinois, Inc., qualifies as a requesting
10 telecommunications carrier as that phrase appears in
11 Section 251C of the 1996 Act?

12 A Yes.

13 Q So Global NAPs-Illinois is not an enhanced
14 service provider, correct?

15 A No, it's an intermediary carrier.

16 Q Let's move to Line 273, which is further
17 down on Page 12.

18 A If I can go back -- I'm sorry -- I'm not
19 sure that I answered the question completely. I
20 would classify as an intermediary carrier. That does
21 not mean that in and of itself it cannot also enhance
22 the traffic which it carries not to be exclusive.

1 Q So the record is clear, Global
2 NAPs-Illinois, Inc., is not an enhanced service
3 provider, correct?

4 A We don't market enhanced services to the
5 public. I don't know if we don't enhance services,
6 so I can't give you a precise answer to that
7 question.

8 Q Global NAPs-Illinois to your knowledge has
9 never marketed services that it characterize as being
10 -- let me rephrase that.

11 Global NAPs-Illinois, Inc., to your
12 knowledge has never marketed itself as an enhanced
13 service provider or ESP (phonetic), correct?

14 A That is correct. Global NAPs-Illinois,
15 Inc., is just one of the rubrics operating under a
16 holding company. It's not clear to me that there
17 aren't other parts of the corporation that may market
18 as an enhanced service provider, but that's not our
19 chief business and it does not mean that traffic has
20 not been enhanced in some respects.

21 Q To your knowledge, Mr. Scheltema, neither
22 Global NAPs-Illinois, nor any other Global NAPs

1 entities provide enhanced services to retail end
2 users; is that correct?

3 A In my mind, retail is a meaningless
4 distinction. It just means that you are selling and
5 able to get payment for. I would characterize it as
6 we don't provide end users with any dial tone
7 services.

8 Q Fine.

9 A I don't mean to frustrate you. I'm sorry.

10 Q I'm just trying to make the record clear,
11 Mr. Scheltema.

12 Let me try the question this way. When
13 Global NAPs-Illinois obtained certification from the
14 Illinois Commerce Commission, it did not indicate
15 that it was seeking to provide enhanced services to
16 any customers in Illinois; is that correct?

17 A No. My understanding is that we came in as
18 a traditional CLEC seeking to provide local-based
19 services, but it proved to be economically infeasible
20 to do so, and, as anybody can realize from the number
21 of bankruptcies, and insolvencies, and doing it in
22 competition in the local arena, that that's, indeed,

1 the case, so we had to change our business plan.

2 Q So just to make sure of the answer to my
3 question, I'll ask the question again because I don't
4 think you answered it.

5 Global NAPs-Illinois, Inc., did not in
6 seeking certification from this Commission advise or
7 inform the Commission that it was going to provide
8 enhanced services to any customers in Illinois; is
9 that correct?

10 JUDGE MORAN: That's a yes or no answer.

11 THE WITNESS: I don't recall doing that, so I
12 guess no.

13 MR. BINNIG: Q. So they did not -- they did
14 not represent to the Commission that they were
15 planning on providing enhanced services?

16 A I don't believe that to be the case. I
17 have to look.

18 Q It's a yes or no question, Mr. Scheltema.

19 A It's a question --

20 JUDGE MORAN: It's a yes or no. Wait. Wait.
21 And you are also representing somebody here. Okay.
22 You have got to know --

1 THE WITNESS: Yes.

2 JUDGE MORAN: -- the party that you are
3 representing. You have got to be able to --

4 THE WITNESS: I understand that.

5 JUDGE MORAN: I'm getting a lot of evasiveness
6 here. That doesn't help me. It doesn't help the
7 record. It doesn't help the Commission.

8 THE WITNESS: I understand that. I don't
9 believe that we told anybody we were doing enhanced
10 services. I don't believe that's part of the
11 certification process. I don't believe there's
12 anything on the form that asks that. I don't think
13 it was envisioned by Global NAPs at the time;
14 however --

15 JUDGE MORAN: So you are defending. I don't
16 want you to defend. I just want you to state --

17 THE WITNESS: To the best of my knowledge, no.

18 JUDGE MORAN: Okay. What was the business plan
19 when you started?

20 THE WITNESS: The business plan was to provide
21 local services as well as debt (sic) reciprocal
22 compensation traffic, inbound ISP traffic.

1 JUDGE MORAN: That's when the company came in
2 for certification with that business plan in print?

3 THE WITNESS: That's exactly --

4 JUDGE MORAN: When did the business plan
5 change? Give me a year. There has to be a record of
6 that someplace.

7 THE WITNESS: Yes. I understand the question.
8 I would say that the ISP remand order changed the
9 game for everybody. All of the business plans for
10 CLECs were thrown out the window and everybody
11 started again in some different format, and then with
12 the combined mergers and so forth, it became
13 increasingly difficult to negotiate in any decent
14 interconnection agreement, so local was out the
15 window and new whippy-skippy technology usage was the
16 obvious inroad into providing competitive
17 telecommunications service, so I would say
18 sometime --

19 JUDGE MORAN: That doesn't answer my question.

20 THE WITNESS: So sometime in April 21, 2001
21 when the ISP remand order was issued when people had
22 to rethink their business plans, including Global

1 NAPs.

2 JUDGE MORAN: And then when did Global NAPs
3 come out with its new business plan?

4 THE WITNESS: I think we started --

5 JUDGE MORAN: I'm not faulting you for coming
6 out with a bad business plan and you are designing
7 it. I just want dates.

8 THE WITNESS: I think we started moving
9 outbound traffic to a great degree in early 2002,
10 which maybe it's 2003, but I know it was the first
11 part of one of those two years.

12 JUDGE MORAN: I mean, to me this is such a
13 major event that if I were to work for your company I
14 would have to have that in my mind, and that's what
15 I'm looking for. I'm looking for the answer. When
16 did the business plan change?

17 THE WITNESS: You know, I can get you an
18 answer. I can get you an answer. Attached to my
19 testimony are various contracts entered into by these
20 folks. Let me see if you can bear with me for a
21 moment.

22 JUDGE MORAN: I'm going to let you. I'm going

1 to -- I'm not going to disturb cross-examination.
2 You are going to give me an answer at the end.

3 THE WITNESS: Sure.

4 JUDGE MORAN: Continue, counsel. I apologize.

5 MR. BINNIG: Thank you, your Honor.

6 MR. BINNIG: Q. So am I correct,
7 Mr. Scheltema, that as we sit here today Global
8 NAPs-Illinois, Inc., does not classify itself as an
9 ESP, correct?

10 A No, it's a CLEC.

11 Q Let's move down further on Page 12 to Line
12 273. It's still on your direct testimony, and this
13 is a question and answer that begins what is IP
14 enable traffic. Do you see that?

15 A Yes. One moment.

16 Q And you go on to discuss -- give an answer
17 of what you consider IP enable traffic to be.

18 A Actually I don't do that. That's what the
19 FCC said.

20 Q You are quoting from an FCC order there?

21 A Yes, sir.

22 Q You have heard before the term IP

1 in-the-middle traffic, Mr. Scheltema?

2 A Yes, I have.

3 Q Do you understand IP in-the-middle traffic
4 to be traffic that originates on the public switch
5 telephone network and terminates on the public switch
6 telephone network but in-the-middle uses an IP or
7 Internet protocol transport format?

8 A Actually I think that over-simplifies it.
9 My own recollection is that IP in-the-middle was
10 characterized by the AT&T declaratory ruling from the
11 FCC in which they voided the ESP exemption because
12 AT&T was the originating carrier and the terminating
13 carrier and they didn't do anything else to enhance
14 the traffic except for a certain portion in the
15 middle.

16 Q You understand that traffic that originates
17 on the public switch telephone network originates in
18 a different format from the Internet protocol format?

19 A Yes. Typically under the public switch
20 telephone network, it originates in TDM as discussed
21 earlier.

22 Q And, similarly, for an end user using a

1 land-line telephone connected to the public switch
2 telephone network for that end user to receive a
3 phone call on that telephone the traffic must be
4 delivered to the end user in a TDM format?

5 A I don't know about typically any more, but
6 I do know that AT&T requires us to convert everything
7 we have back into TDM. They won't accept any other
8 traffic.

9 Q Do you consider IP in-the-middle traffic as
10 you have defined it to be IP enable traffic?

11 A I did not define it. The FCC defined it
12 and I cited to it.

13 Q As you just described it in your answer to
14 my question about IP in-the-middle traffic,
15 Mr. Scheltema, do you consider that traffic to be IP
16 enable traffic?

17 A No, neither did the FCC, but they were also
18 very clear on that ruling that it was specific to
19 that particular instance of AT&T and not -- there's
20 many distinctions between that and other IP carriers.

21 Q Do you consider IP in-the-middle traffic,
22 as you described it in response to my earlier

1 question, to be VOIP traffic or void traffic?

2 A No, not necessarily. I think what void
3 traffic can start out on the broadband -- on
4 broadband and then it can be turned into TDM later
5 after it passes through Global NAPs, for instance, so
6 I wouldn't make it exclusively as IP in the middle.

7 Q So let me go back to my question. Do you
8 consider IP in-the-middle traffic, as you described
9 it in response to my earlier question, to be VOIP or
10 void traffic?

11 A It depends who's in the middle. May I --

12 Q Well --

13 A -- explain, because it does make a
14 difference because there can be multiple carriers
15 before Global NAPs, but if you are asking if Global
16 NAPs taking something that's delivered to them
17 directly from a carrier picking it up from AT&T and
18 remains in TDM and we do something to convert it to
19 IP and translate it back into the TDM, that would be
20 in my view IP in the middle, not void.

21 Q That's not my question, Mr. Scheltema.

22 A Oh, then I misunderstood. I'm sorry.

1 Q I asked you about IP in-the-middle traffic.
2 I gave you a definition as to if that was your
3 understanding, and you said, well, that
4 over-simplifies and you gave me a description of what
5 you view IP in-the-middle traffic to be.

6 My question is your description of IP
7 in-the-middle traffic do you consider that traffic to
8 be void or VOIP traffic?

9 A Not necessarily, because traffic can be --
10 the traffic can be IP in the middle, can be either
11 data, it can be a video screen, it can be voice, it
12 can be -- you can see the stock quotes. You can see
13 the person talking at the same time. You can do all
14 sorts of things, so it may not be strictly just voice
15 over Internet. That's the problem that I have
16 wrapping this into a nutshell.

17 Q In what instances -- let me ask the
18 question this way. So is it your understanding --
19 I'll withdraw that as well.

20 Is it your position, Mr. Scheltema, that
21 voice traffic, which is also IP in-the-middle
22 traffic, as you have described that term, that that

1 traffic constitutes VOIP or void traffic?

2 A You started out asking me if defining VOIP
3 traffic data dot dot as void traffic.

4 Q No, I didn't.

5 A Okay. Can you -- I really don't understand
6 your question then. I'm sorry.

7 A Can you try it one more time.

8 Q Let me take your description of IP
9 in-the-middle traffic. It's your position that in
10 the IP transport, at any point during the call that
11 that's what's being delivered, the information that's
12 being delivered is voice traffic?

13 A Exclusively?

14 Q Exclusive voice traffic. Is it your
15 position that in that instance the IP in-the-middle
16 traffic is also VOIP, or void traffic?

17 A Not if there are other enhancements or
18 otherwise meets the ESP exemption by being a change
19 in format or an access to a storage mechanism.

20 Q All right. Let's try it this way,
21 Mr. Scheltema. For traffic that does not originate
22 in IP format --

1 A Right. We'll start out TDM.

2 Q It doesn't originate in an IP format,
3 converted to an IP format for some portion of the
4 transport and then it is converted to a TDM format to
5 deliver to an end user on a public switch telephone
6 network. Does that traffic feel like void traffic in
7 your view or VOIP traffic in your view?

8 A Certainly for the portion of time that it
9 is traversing the network in IP, it is by definition.
10 I think the question you are looking for is is it
11 exempt from access charges and VOIP doesn't
12 necessarily mean that it's exempt from access charges
13 if it doesn't -- if it's not constrained with the ESP
14 exemption.

15 MR. BINNIG: I move to strike the last portion
16 of the answer. That wasn't my question.

17 JUDGE MORAN: Okay. It will be stricken.
18 Where do you want it stricken from?

19 MR. BINNIG: Okay. I want -- when he started
20 saying I think your question is and then started
21 talking about is it exempt from access charges. That
22 wasn't my question.

1 JUDGE MORAN: Okay. Is there enough of an
2 answer response to satisfy you or do you need to
3 re-ask the question?

4 MR. BINNIG: Prior to that point, there was
5 enough response, yes.

6 JUDGE MORAN: Okay.

7 MR. BINNIG: Q. Let's turn to Page 27 of your
8 direct testimony --

9 A Yes, sir.

10 Q -- and I'm looking at Lines 607 through 609
11 where you are talking about the guarantee provided to
12 Global NAPs-Illinois, Inc., by Global NAPs, Inc.

13 A Yes, sir.

14 Q And at Line 607, second sentence, you state
15 because Global NAPs-Illinois has no revenues of its
16 own, its condition set forth in guaranteeing still
17 exist; therefore, Global NAPs, Inc., is still
18 guaranteeing all obligation of Global NAPs-Illinois,
19 Inc. Do you see that?

20 A Yes, I do.

21 Q To your knowledge, Mr. Scheltema, Global
22 NAPs, Inc., has not paid a single penny to

1 AT&T-Illinois for anything, correct?

2 A That's what I answered previously to my
3 knowledge, yes.

4 Q Previous question was about Global
5 NAPs-Illinois. This is about Global NAPs, Inc.

6 A I don't know the answer to that. I'm
7 sorry.

8 Q You don't know?

9 A I don't know if Global NAPs, Inc., has --
10 well, I'm sorry. There is. You asked if Global
11 NAPs, Inc., has paid anything to --

12 Q AT&T-Illinois.

13 A -- to Illinois. I don't think so. To my
14 knowledge, no.

15

16

17 (Whereupon, AT&T-Illinois
18 Cross Exhibit No. 6 was
19 marked for
20 identification.)

21 Q Mr. Scheltema, I'm handing you what's been
22 marked as AT&T-Illinois Cross Exhibit 6 --

1 A Okay.

2 Q -- and I'll represent what this is is a
3 motion that was filed at the end of July 2008 for
4 stay of enforcement of judgment pending disposition
5 of motions and supporting memorandum. This was filed
6 in the lawsuit brought by South New England Telephone
7 Company against Global NAPs, Inc., and a number of
8 affiliates of Global NAPs, Inc.

9 Are you familiar with this motion and
10 supporting memorandum?

11 A I'm familiar with the concept behind it but
12 I did not review the motion nor the memorandum behind
13 it.

14 Q Let's turn to Page 5 of the supporting
15 memorandum.

16 A Okay.

17 Q And you see there just over halfway down
18 the page there's a section that says the court should
19 not require a bond?

20 A Yes, I see it.

21 Q Okay. And then this section continues for
22 several pages. If you go to Page 6, and I'm going to

1 call your attention to the last full paragraph on
2 Page 6, the last sentence of that paragraph that
3 begins the declaration of Samuel Gargor (phonetic)?
4 A I'm sorry. I don't see where you are.
5 MR. HARVEY: Nor do I.
6 JUDGE MORAN: Nor do I.
7 MR. BINNIG: Q. On Page 6 of the supporting
8 memorandum --
9 A Yes.
10 Q -- there's a paragraph about the middle of
11 the page that begins if an unsecured stay.
12 A Oh, yes, I see that.
13 Q Go to the last sentence of that paragraph.
14 A Yes.
15 Q It states there that the declaration of
16 Samuel Gargor (phonetic) reveals that defendants have
17 sought a bond but cannot qualify because they do not
18 possess sufficient cash or its equivalent. Do you
19 see that?
20 A Yes, I do.
21 Q And, to your knowledge, that's an accurate
22 statement?

1 A I don't have any knowledge on this, but I
2 can't tell you, so, yes, to my knowledge it's an
3 accurate statement.

4 Q One of the defendants is Global NAPs, Inc.,
5 is it not?

6 A Yes.

7 Q And you are the vice president for
8 regulatory affairs for Global NAPs, Inc.?

9 A Yes, I am.

10 Q And then if you move to the bottom of Page
11 6, the paragraph that begins two lines from the
12 bottom, it says this case is similar to that of, and
13 it says Fowler (phonetic) case.

14 A Yes.

15 Q It states in that case as here the
16 defendants were without sufficient assets to satisfy
17 the judgment and execution of the judgment would
18 place the defendants in insolvency. Do you see that?

19 A Yes, I do.

20 Q And one of the defendants being referred to
21 in here is Global NAPs, Inc.; is that correct?

22 A Yes. That's the named defendant on Page 1

1 for the judgment of, looks like, close to \$6 million.

2 MR. BINNIG: Your Honor, I have no further

3 questions. At this time we would like to perhaps

4 take a break so we can give Mr. Moore the full set of

5 the discovery responses.

6 JUDGE MORAN: Fine, and that will give

7 Mr. Scheltema time to find an answer to my question.

8 THE WITNESS: I believe I have found it while

9 we were discussing another matter.

10 JUDGE MORAN: Okay.

11 THE WITNESS: From --

12 JUDGE MORAN: Thank you.

13

14 (Whereupon, the following

15 proceedings were held in.

16 Camera:)

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